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Presidents of Mercosur Countries Speak at Summit

Brazil's Franco

PY1912171394 Rio de Janeiro TVE Television in Portuguese 1205 GMT 17 Dec 94

[Speech by Brazilian President Itamar Franco at the Seventh Common Market of the South, Mercosur, Summit in Ouro Preto, Brazil—live]

[FBIS Translated Text] Mr. President of the Republic of Paraguay, Juan Carlos Wasmosy; Mr. President of the Oriental Republic of Uruguay, Luis Alberto Lacalle; and Mr. President of the Argentine Republic Carlos Menem; Messieurs. foreign and economy ministers of the countries members of the Mercosur, Mr. Foreign Minister of Bolivia, Mr. Finance Minister of Chile, Mr. Governor of the State of Minas Gerais Helio Garcia, Mr. Governor-elect of the State of Minas Gerais Eduardo Azeredo, ministers, ambassadors, Mr. Mayor of Ouro Preto Angelo Ozwaldo, my dear Bishop Luciano [Mendes de Alemeida], ladies and gentlemen:

It is with special satisfaction that I receive you in Ouro Preto, the birthplace of the freedom and justice that have generated the independency process in Brazil. For us, this city evokes the uprising of Minas Gerais and the heroism of Joaquim Jose da Silva Xavier, Tiradientes, the hero of our independence process. These placid hills of Minas Gerais that surround the city of Ouro Preto—previously called Vila Rica—hold for Brazil some of its highest values in addition to its independent character. Beside the spiritual presence of Brazilian independence hero Tiradentes, here we also find splendid sculptures by Antonio Francisco Lisboa, Aleijadinho.

Ouro Preto, the first Brazilian city to be included in 1980 in the list of the historical patrimony of the world, has inspired the lyrical brush of painter Alberto da Veiga Guinar, among many other painters who painted it. Ouro Preto's history and beauty have been praised by great Brazilian poets like Cecilia Meireles, whose words I just mentioned, Carlos Drummond de Andrade, Murilo Mendes, Manoel Bandeira, Oswaldo de Andrade, Mario de Andrade, and Vinicius de Moraes.

At this meeting of the presidents of the Mercosur countries, to sign this juridical instrument of far-reaching effects in the everyday lives of our countries, I want to honor the State of Minas Gerais and the city of Ouro Preto, which have always been at the forefront of great transformations in Brazilian life.

Messieurs. Presidents, the end of the pro-tempore presidency by Brazil on 31 December coincides with the end of the transition period foreseen in the Treaty of Asuncion which today we are improving through the Protocol of Ouro Preto. We thus define the new institutional structure of our association, and are giving it a legal status under international law. As of 1 January 1995, the first customs union of South America will be consolidated. With political vision and pragmatism, we have reached a level of understanding that will allow us to adopt a common external tariff and liberate trade among our four member countries.

With admirable haste we have concluded the integration project that the re-democratization of our countries has made possible. We have attained remarkable progress in the past four years. The results speak for themselves. During the transition period now ending, trade among the four countries increased from $3.6 billion to $10 billion. In the same manner and as a demonstration that the integration process is open and not exclusive, foreign trade of the Mercosur as a whole increased by nearly 27 percent. Thus, our integration process must generate new trade and investment flows. Signs of interest in Mercosur have multiplied among companies inside and outside the region. We represent a dynamic market built on a population basis of 200 million inhabitants and a GDP of nearly $800 billion. Our businessmen are dynamic and have great initiative. Our workers have revealed a great productive potential and adaptation to the new demands. The stabilization and the resumption of sustained development in my country contributes to anticipate new horizons of prosperity for the whole region.

The appropriateness of our policies is confirmed daily. At the beginning of 1995, Mercosur will negotiate the extension of the agreements signed within the Latin American Integration Association, ALADI, as well as the creation—within 10 years—of a free trade zone. My proposal in 1993 for a South American free trade zone is currently a joint initiative of Mercosur and is in a stage of negotiation with our neighbors. Chile and Bolivia will very soon sign association ties with us.

With the EU [European Union]—our greatest trade partner—we have begun a process of approximation that will lead to the gradual implementation of free trade between the two blocs. This is a daring proposal because it seeks, perhaps for the first time in recent economic history, to integrate geographically distant regions. Talks with other economic groups—like the one that groups Australia and New Zealand, and the countries of southern Africa—are in the initial stages.

At the Miami Summit we signed—with other government chiefs of our hemisphere—a political commitment to establish a free trade zone in the Americas. These negotiations must be ready for 2005, the year in which we hope the process of gradual trade liberation will begin. We stressed in Miami that the accomplishment of that goal must be made based on the convergence of existing integration systems in our hemisphere—of which the Mercosur is a thriving example.

We also reasserted the compatibility of several regional initiatives with previously assumed international commitments, especially those that result from the Uruguay Round of GATT.

My dear president colleagues and friends, although we have done a lot, a lot remains to be done. The coming years will demand an extra effort from our peoples and governments to attain our goals. The agenda is long and requires the construction of a community culture. We must promote the harmonization of our macroeconomic policies and the establishment of additional regulations in the environment, justice, services, and financial exchange. This is especially relevant to make our social and labor laws compatible.

This agenda, ladies and gentlemen, represents the future of our societies which seek a more respectful and fair life. Today, as I pass on the pro-tempore presidency of Mercosur, I am sure Paraguay will continue this work with the determination and efficiency that has characterized its performance during the integration process.

As we consolidate the free trade zone and customs unity, a new stage in the integration effort of our countries begins. On behalf of Brazil I am sure my successor will dedicate his great capability and determination to the task of enriching our common patrimony. My recognition to all of those who have contributed to make our integration ideals come true. To those who will succeed us in this historical task I want to address a word of encouragement and trust.

I hope the idealism of the heroes of independence will serve as an inspiration and encourage everyone to persist in consolidating the common market. The integration we seek is in keeping with our forefathers' thirst for independency and the hope of our peoples in a destiny of prosperity and social justice.

My dear presidential friends; this is the last time I will address you as president of Brazil. I take with me the memory of the days together, during which we wrought the destiny of our countries. In my heart and soul I am certain our countries will continue on the path of democracy and that in democracy we will solve all our problems. Greetings to you. Thank you.

Paraguay's Wasmosy

PY1912165594 Rio de Janeiro TVF Television in Portuguese 1215 GMT 17 Dec 94

[Speech by Paraguayan President Juan Carlos Wasmosy at summit of Common Market of the South, Mercosur, presidents in Ouro Preto, Brazil—live, in Spanish]

[FBIS Translated Text] [Announcer] Ladies and gentlemen, and now the speech of His Excellency Uruguayan [as heard] President Juan Carlos Wasmosy.

[Unidentified voice] Not yet.

[Announcer] Excuse me, I mean Paraguayan.

[Wasmosy] Within the Mercosur it is all the same now—Uruguay, Paraguay, Brazil, Argentina. [laughter, long applause]

Your Excellency Dr. Itamar Franco, president of the Federative Republic of Brazil; Your Excellency Dr. Carlos Saul Menem, president of the Argentine Republic; Your Excellency Dr. Luis Alberto Lacalle Herrera, president of the Oriental Republic of Uruguay; Messrs. representatives of the fraternal Republics of Bolivia and Chile; Mr. Helio Garcia, governor of the State of Minas Gerais; Messrs foreign ministers, economy ministers, ambassadors, lawmakers, and government officials; ladies and gentlemen:

First, I would like to say how pleased I am to meet once again my Brazilian, Argentine, and Uruguayan counterparts at this Mercosur summit in Ouro Preto, a marvelous city with a rich historical legacy. I would especially like to thank the president of Brazil for the warm welcome and hospitality extended to all of us and also congratulate him for his most able performance as Mercosur chairman pro tempore.

Mercosur summits, which have become a tradition, give the four presidents of the member countries an ideal opportunity to jointly reflect on the problems that our integration organization may encounter.

This summit is special because 31 December 1994, the date on which the Mercosur will become a reality according to Article 1 of the Treaty of Asuncion, is very near. As the end of 1994 and the date that we have set for the implementation of the Mercosur approaches, I believe that we should be pleased with what has been accomplished along the path toward integration and congratulate ourselves for the results that have been obtained.

Three processes essential for the the development of Mercosur will be set into motion on 1 January: the elimination of custom barriers; the common external tariff; and the complex institutional structure.

I would like to say at this point that it is obvious that we have made reasonable progress, which is there for all to see. This progress has been acknowledged internationally and not even the most pessimistic person could deny it.

In just a few weeks the pro tempore chairmanship will be turned over to Paraguay. Paraguay is fully aware that this is a heavy responsibility. It compels me, therefore, to talk less about what has already been accomplished—no matter how satisfactory it may have been—and more about what still remains to be done, the tasks that Paraguay will try to further in the coming months.

This new common market, the first in Latin America, was not ever considered an isolated and isolationist unit. The very philosopy of economic integration is basically solidaristic and its tendency is to expand rather than to shut out. The Mercosur is already opening toward the fraternal republics of Bolivia and Chile. This opening must continue at both the political and technical levels. Just a few months ago, we laid the foundations for this progressive cooperation. We are not operating in the realm of delusions and rhetoric. This project must move forward realistically, and the president of Paraguay is commited to advancing this praiseworthy undertaking.

Venezuela, Colombia, and Ecuador have conveyed to us that they are very interested in beginning talks with the Mercosur—I would say that the entire Andean Pact is interested in doing this—with a view to establishing relations with our integration organization. Therefore, we must determine the similarities and differences between the Andean Pact and the Mercosur, to move toward including all of South America in this integrationist initiative.

During the EU [European Union] summit in Corfu and the Mercosur summit in Buenos Aires, the two organizations expressed a desire to further cooperation by gradually broadening its scope. This mutual desire should not come as a surprise. The historical, political, and cultural affinities between Mercosur countries and European countries are such that it would be strage for them to ignore each other. Mercosur leaders must realize that Europe's good will is both idealistic and pragmatic. Europe wishes us to succeed because it is aware that for us integration is the doctrinarian and technical means to attain economic progres, and the pragmatic approach that can free our region from poverty and underdevelopment. They also support us because they know us to be a trustworthy business partner.

Jacques Delors said a short time ago: You may be doing it out of idealism, but primarily because you understand that it is good business.

Paraguay is most pleased at the progress we have made in our talks with the EU. The Paraguayan president will decisively further a broad agreement with Europe. During the recent EU meeting in Essen, Germany, the European Council has confirmed its support for a basic document that calls for a broad partnership with the Mercosur.

The recent Summit of the Americas in Miami was very important because of the issues discussed and the Plan of Action that the 34 participants unanimously approved. This Plan of Action emphasized the decision to establish a free trade zone from Alaska to Tierra del Fuego. This decision, which implies a broad opening of international trade and a desire by all countries to free trade, is further confirmed by the establishment of the World Trade Organization and of the approval of the Uruguay Round of the GATT. Paraguay has approved both resolutions and has delivered the ratification instruments. The U.S. Government has recently done the same.

This outward drive, however, should not distract us from domestic problems. As I have said before, the Treaty of Asuncion is merely a basic agreement, a statement of intent that must be developed further through negotiations and accords. We have applied this approach to each and every step that we have taken so far. The results I have mentioned earlier are evidence of our efforts aimed at turning a concise and indicative treaty into a vast and complete undertaking. To achieve this, however, there is still a lot to be done. Some of the things that have yet to be done were barely outlined in the treaty; others were not mentioned at all.

You all know—because I have never hidden my feelings—that Mercosur should not become only a sum of tariff results or an automatic mechanism for the free circulation of merchandise, capital, service, and labor. Undoubtedly, integration must change customs tariffs and allow goods, services, and capital to move freely, but at the same time it must guarantee certain principles that are vital for our way of life and the time in which we live. Today I would like to mention two such principles: political stability and international social justice.

During my speech in Buenos Aires, I hinted at political stability. A true common market must be comprised of countries with similar political systems. For us, as well as for others, it is not enough to seek an improvement in our standards of living. We must also see to it that our people enjoy these better standards of living within the framework of democracy, amid full respect for freedom and human rights.

Europe has clearly stated this principle in its founding treaties and in the European Parliament. Our Treaty of Asuncion does not contain a clear reference to this principle. The time has come to close this gap. Our responsibility is not only to lead our countries to prosperity, but also to firmly bind them to democracy and freedom. The time has come for us to jointly find a simple and binding formula through which the four current members of the Mercosur, and the countries that may join it later, will accept and reaffirm that our essential duty is not to just tear down a few customs barriers, but to respect the only approach to political coexistence: democracy, the inalienable precondition for our economic life in common.

The preamble of the Treaty of Asuncion mentions in general terms the other vital principle we must secure: social justice among member countries, in other words, the principle of solidarity. This is not the first time I bring up this principle—I raised it during the meeting in Colonia, Uruguay, and again at the summit in Buenos Aires.

It is impossible to guarantee the success of economic integration, nor will economic integration accomplish its objectives, if it is not possible to promote economic and social coexistence among the member countries that have attained different levels of development. We must be able to exercise distributive justice through which the less developed countries of the Mercosur will receive honorable and worthwhile cooperation from the more developed members.

I am aware that you all have repeatedly proven that you share this concept. You have done so when we discussed the deadlines for the tearing down of customs barriers, the exceptions to the common external tariff, or the extending of Paraguay's facilities to cope with the capital goods issue until the year 2003. I would like to insist, however, that we face many more challenges that will put our solidarity to the test.

Summits are not the appropriate forum for bringing up details, but I would like to mention just one example of the solidarity I am asking for: Developing the Parana-Paraguay waterway and its ports, dredging it, marking it, and eventually extending it all the way to the sea, is a solidaristic duty toward landlocked countries that have no outlet to the sea.

The Bolivian, Paraguayan, and Brazilian project to build a flood-control dam on the Paraguay River at Bahia Negra is an auxiliary project for the waterway which will not only improve navigation on the Paraguay River, but will also help protect the environment upstream by regulating the flow of water. Bolivia will be able to use its port and the waterway all year. The excess water during flood season could be used to irrigate large fertile areas in Brazil and Paraguay that need this water for their development. The water will then be returned to the Paraguay River via the Apa and Pilcomayo Rivers.

The proper operation of this waterway will set an example of how huge infrastructural projects in depressed areas benefit not only the unfortunate landlocked countries, but also regional communities. This will apply especially to Argentine, Brazilian, and Paraguayan towns that periodically suffer from severe floods. These projects also further the development of these regions, increase their wealth, and comply with the inalienable ethical principles of integration.

I have listed the positive effects of solidarity as epitomized in the Paraguay-Parana waterway. The same applies to the Parana-Tiete waterway, an important project that is about to be concluded. Paraguay wholeheartedly supports this project because it is essential for the Mercosur. We hope that it will be possible to connect the Parana-Tiete waterway to the Paraguay-Parana using a system of gates to create one of the world's most vast waterways.

I believe that these projects epitomize the Mercosur integration project. It pleases us to see in the preamble of the Treaty of Ouro Preto a paragraph that sets our conscience at ease by stating that, quote, the parties are aware that the less developed countries and regions of the Mercosur deserve special consideration, unquote.

This statement acknowledges that solidarity is necessary and that throughout the implementation of the various stages of the Mercosur, we will be studying possible solidaristic measures. Thus, I invite you all to meet with open minds during Paraguay's pro tempore term in office, to study in depth the vital principles of political stability and solidarity that I have mentioned today. I would like to believe that we all share these principles. Should this be the case, let us dare to take new steps forward toward the development of our common market. May the approval of this Protocol of Ouro Preto set a new landmark for this great undertaking launched through the Treaty of Asuncion, and may we, together, harmoniously and fairly shore up our growing development for the good of our peoples. Thank you very much. [applause]

Uruguay's Lacalle

PY1912213594 Rio de Janeiro TVE Television in Portuguese 1230 GMT 17 Dec 94

[Speech by Uruguayan President Luis Alberto Lacalle at the seventh summit of Common Market of the South, Mercosur, presidents in Ouro Preto, Brazil—live, in Spanish]

[FBIS Translated Text] Mr. President of the Federative Republic of Brazil, Mr. President of Argentina, Mr. President of Paraguay, Mr. Governor of the State of Minas Gerais, Mr. Mayor, Messrs. lawmakers, foreign ministers, economy ministers, fellow Uruguayans, and Mercosur friends and partners.

We have often mentioned democracy as the most effective means for resolving problems. It was noted recently at the Miami Summit that the Americas are enjoying the unique circumstance of having legitimate administrations elected by the citizenry through the free exercise of their civic rights. All the governments of this continent are, therefore, legitimate.

No sooner, however, do we start analyzing this concept of legitimacy than a doubt creeps into our minds: Is this legitimacy enough, or is it just a preamble, the precondition for effective administration?

The answer is yes, and I have repeatedly stated in my country and abroad that our democratic administrations must now demonstrate that they are able to come up with solutions to the problems of our countries and our regions.

Right here we have proof of a democratic system operating in four countries and attaining concrete results, despite the many doomsayers and skeptics who did not believe that deadlines could be met, that the objectives could be attained, or that the governments and the groups involved would be able to overcome difficulties. This is proof of effective government management.

The Treaty of Asuncion, which had to go through Congress as is befitting—thus adding to the approval of the executive branch that of the legislative branch, which represents all kinds of leanings—also went through foreign ministries, economy ministries, and technical groups focused on defending national interests. Yet at the same time all these organizations sought compromises, doing honor to our system of government.

This integration process that we launched in Asuncion had short-term objectives that were immediately criticized. It has been said that other parts of the world spent decades to accomplish what we hope to achieve in a few years. I believe that in this regard the success was also due to the firm attitudes of the four administrations.

All of us have had to deal with domestic requests, petitions, pressure, criticism—all of them legitimate, because they reflected personal interests—to which the leaders could not, however, bow, because they had to view them in the context of overall national and community interests.

The governments of our countries have been firm but not inflexible. They have not displayed stubbornness, but tenacity. They have not kept the deadlines on a whim, but because they understood that this had to be done to obtain good results. The strict compliance with the Treaty of Asuncion thus allows us to conclude the first stage of Mercosur here in Ouro Preto.

Undoubtedly the Document of Buenos Aires and the Protocol of Ouro Preto also epitomize a pragmatic approach. Not, as I have just said, blind and deaf stubbornness, but rather a flexible firmness that allows the reconciliation of legitimate interests within systems that would not hurt these interests, allowing them to get ready for Mercosur. Let us underscore, however, the fact that the administrations complied strictly with the Treaty of Asuncion, because this has demonstrated to the entire world that we are credible, and has gained for us the international prestige that Mercosur has. It is because of this prestige that key international trade organizations are now asking us, inviting us, to go into partnerships or establish relations with them.

At the end of this first stage, let us go over the main characteristics of our union. It is a customs union and has a common external tariff and a specific commercial policy toward third countries. It is a commercial and economic agreement within which the member countries preserve every aspect of their individual political systems, and are free to exercise their will and international sovereignty.

In my opinion this implies a strengthening of the member countries, although some people have disagreed with this. I say this from the viewpoint of the smallest country both in terms of territory and population, as is the case of Uruguay. The Uruguayan Government feels that Mercosur has strengthened its national identity on the grounds that a prosperous country is a stronger country, and the greater the prosperity of its inhabitants, businessmen, and workers, the better it will be able to reaffirm its own individuality, which is most certainly very dear to us, and which we do not see as working against but rather for the spirit of integration

We have designed institutions, and I would like to focus on mechanisms for resolving conflicts. That is the Gordian knot, the key to community relations. Treaties are complied with in good faith, but the world teaches us that opinions differ and it becomes necessary to adjudicate. Given the important role that a national judicial branch plays in guaranteeing rights, in applying the law to specific cases, we should not neglect the need for similar mechanisms to deal with the conflicting interests of companies. Our jurists and constitutional and international law experts will certainly face momentous challenges in the myriad of interpretations inherent in any legal process aimed at resolving conflicts, and in the quest for the appropriate mechanisms for reconciling rules and regulations. This is a key issue.

Let us also say that this integration is—as the Paraguayan president rightly said—not enclosed. It does not view itself as a fortress under siege, hiding behind walls. We are setting up an organization that views itself as part of the rest of the world.

During the Summit of the Americas we have seen that our region is regarded as important. Let us leave aside quotes from history books and pretty words. There are a number of legitimate interests for which our region offers certain advantages that were absent until a short while ago. These advantages have turned our region into a desirable partner, a complementary asset for other larger economies.

Let us say, however, that this very same realistic approach compels us to realize that measured against other dreams, the free trade zone encompassing all of the Americas is a plausible, healthy, and positive goal, though it is something for the future or the distant future. Today we have a task on hand: Mercosur.

We would be downplaying the importance of the will that we have displayed and the difficulties that we have overcome if we failed to emphasize that Mercosur is top priority for our development. This task will take a long time and will run into many obstacles; frictions and differences of opinion will arise; but at the same time it is something palpable and real that we have in our hands, and our foreign policies must have it as their top priority.

The only way to strengthen all these institutions, all these agreements, all these mutual commitments that we have undertaken, is to make use of them, just as republican institutions grow strong like the muscles that are used frequently and healthily. Mercosur will become stronger as we use it and abide by its terms, which we have freely accepted.

Leaving aside the compliance in good faith that we have mentioned earlier as being part of our international commitments, I would like to take this subject a bit further. What I mean is that Mercosur is not something for diplomats and politicians alone. As politicians we will have to play a key role in making our people aware of what Mercosur stands for, and I want to emphasize that democratic administrations will be able to play this role better than any other type of government, because all the different segments of opinion represented in the government can be, and I hope will be, ideal messengers of the Mercosur concept. Only if each worker, each inhabitant of our countries, grasps the concept of Mercosur will the latter come true. Otherwise it will remain in the somewhat distant realm of diplomacy, politics, or big business.

Integration will pass its final efficiency test when it comes to represent an additional day of pay for a worker, or another piece of bread on somebody's table. That is when the people will say: This integration is mine, this is our integration, which gave me more work and allowed me to live a little bit better.

Ladies and gentlemen, along with President Itamar Franco I must say farewell to this task to which I have devoted these years in government. This is the last time I will attend a Mercosur summit as the Uruguayan president. My country will be honorably and effectively represented at the next meeting by Dr. Julio Maria Sanginetti, whom the people of Uruguay have chosen to be their president.

I am happy to say that Mercosur is part of Uruguay's state policy, and that above and beyond the inevitable personal touches that one may give this kind of undertaking, I speak for the Uruguayan people just as Dr. Sanguinetti will be speaking for them in the near future.

I want to make it clear that from the very day we signed the Treaty of Asuncion we have always given our best to the issue of integration. I do not know whether it was a lot or not enough, but certainly it was our very best. We have tackled it passionately because we believe it to be an honorable and noble cause for our nation. I thus call upon divine providence, the beginning and end of all things, to enlighten both present and future leaders so that this endeavor may bring peace and friendship to our nations.

Finally, I would like to tell this age-old Villarica de Ouro Preto, which has opened its doors to us, displayed for us its beauty, and given us a strong taste of Brazil's roots, that only two pretty Portuguese words can describe my feelings right now. Ouro Preto, Brazil, Argentina, Paraguay, my friends, these words are: memories and longing. [applause]

Argentina's Menem

PY1912191994 Rio de Janeiro TVE Television in Portuguese 1246 GMT 17 Dec 94

[Speech by Argentine President Carlos Saul Menem at the seventh summit of Common Market of the South, Mercosur, presidents in Ouro Preto, Brazil—live, in Spanish]

[FBIS Translated Text] Your Excellency Dr. Itamar Franco, president of the Federative Republic of Brazil; Your Excellency Dr. Luis Alberto Lacalle Herrera, president of the Oriental Republic of Uruguay; Your Excellency Engineer Juan Carlos Wasmosy, president of the Republic of Paraguay; Mr. Governor of the State of Minas Gerais, Messrs. foreign ministers, economy ministers, ambassadors, lawmakers, government officials, excellencies, ladies and gentlemen, brothers and sisters of Mercosur:

The brilliant speeches of my counterparts make it to some extent unnecessary for me to read the speech that I have brought to this meeting. It would be somewhat inappropriate to reiterate the statements that have been clearly made on this occasion. I would like, instead, to convey my pleasure at being able to participate in this seventh summit, which is aimed at making a long-term aspiration of our peoples come true.

Our founding fathers have already raised this issue. Bolivar, San Martin, O'Higgins, and Artigas have dreamed about uniting the Americas.

I have some memories from my younger days: In 1946 or thereabouts, three presidents of this part of Latin America were talking about the need for integration. That integration project was then called the ABC, which stood for Argentina, Brazil, and Chile. The presidents in question were Ibanez del Campo in Chile, Getulio Vargas in Brazil, and General Peron in Argentina. They were already talking about integration in those days. I also recall having read the works of some politicians and political scientists saying that such integration was utopian.

It is just that because utopias are the fruits of our dreams, our correct interpretation of these dreams is bound to make them come true. This particular dream has been evolving into reality since those days.

We have been working very hard, and as the most senior president of this process, of Mercosur, I have to acknowledge what my Uruguayan friend and counterpart has called the fire, the passion, the enthusiasm, and the integrationist drive that was present at every meeting we have held.

It would be, however, ungrateful of us not to acknowledge that on this occasion, just as on many others, the presidents will simply sign the documents of the protocol. The work that allowed us to complete this first stage was done mainly by our foreign ministers, by our economy ministers, and by the members of their teams. They deserve credit for having successfully concluded this first stage.

There are, however, many other issues that we must tackle as soon as possible: unemployment and poverty. We discussed these issues at length on occasion of the Miami Summit. All presidents, without exception, addressed the social issues that fill us with great sorrow and concern.

Out of 500 million inhabitants in Latin America over 220 million live in poverty, despite this continent's enormous natural resources, some not even exploited. This is something that hurts and undermines one's sense of honor, and especially the sense of honor of those of us who have the responsibility of leading our countries.

We must tackle this issue immediately. I know we are addressing it, but the more we manage to strengthen our markets, the better we will deal with these veritable scourges that plague our brothers in the struggle for our common cause.

At all these meetings we have also discussed the strong possibility of welcoming into the Mercosur other fraternal countries, such as Chile and Bolivia. I understand that on the occasion of the coming inauguration in Brazil the presidents who are here today will meet with their Chilean and Bolivian counterparts to discuss this possibility, which should come true.

I repeat that it would be meaningless for me to rehash the issues my counterparts have already raised. Everything that had to be said has been said. The time has come to get things done. This is not the time for more words. We must now steadily work hard to attain our objectives, to grow and develop our economic potential, but at the same time to take care of the most needy strata of our communities through true social justice.

Messrs. Presidents, within Mercosur all of us must play a leading role in the attainment of the better future we are forging. The only way we can explain our drive toward integration is by conveying to our people our conviction that their standard of living will be better with Mercosur than without it. This obligation we have with our people compels us to redouble our efforts to make further progress along the path that we have chosen.

It is to deal with the concerns raised at this summit, and the ones that I have just outlined, that we have decided to include in the institutional framework of Mercosur the Social and Economic Consultative Council, which will submit its recommendations to the key bodies of the organization.

Today we will sign the Protocol of Ouro Preto, which deals with the institutional aspects of Mercosur in the stage that is about to begin, and provides the legal instruments that will protect the interests of the member countries, their citizens, and their economic agents.

I would like to point out that this protocol gives Mercosur international legal status, which means that it can undertake commitments under international law. It will thus be better prepared to enter into negotiations with other countries, regional blocs, and organizations.

Brothers and friends, I would like to remind all of you that at earlier meetings we have addressed the need to improve education, science, and culture. I want to particularly remind all of you that as far as education was concerned, we had agreed in one of the documents that it was essential for the Spanish-speaking countries to establish compulsory teaching of Portuguese at primary and secondary schools, and conversely to make Spanish a compulsory language in Brazilian schools. This would be one of the most effective steps in this integration process.

I believe that as of 1 January our education ministers should start working on this. Considering that out of 220 million Mercosur consumers, 150 million speak Portuguese, it is only fair, just, and necessary that the 100 million Spanish speakers speak Portuguese, and that the 150 million Portuguese-speakers speak Spanish [figures as heard].

I do not want to end this speech without congratulating the Brazilian chairman pro tempore for his performance during these six months, which were decisive for our integration process. As I have said before, we must also acknowledge the good and hard work of our negotiators and experts in bringing about this integration process, which has many admirable aspects.

It is with sorrow that I say farewell to two counterparts who shared with us this founding stage of Mercosur: Mr. Itamar Franco and Mr. Luis Alberto Lacalle Herrera. On the other hand... [applause] On the other hand, we will soon welcome two masterminds of this undertaking, with whom I have had the good fortune of sharing this common struggle: Fernando Henrique Cardoso and Julio Maria Sanguinetti. All of them, all of us, all those who have worked in any way to bring about Mercosur, are united by a common ideal: to improve the prospects of our people.

Thus, on the eve of Christmas and New Year, days dear to all Christians, I would like to ask God, the source of all reason and justice, to bless our peoples; to give us, their leaders, the necessary strength to keep working hard for the greatness of our nations, which are now integrated; and to bring happiness to our peoples. Once again, from the innermost depths of my soul, I want these cherished friends who are about to leave us to know that I shall be their friend always, their brother prepared to do whatever possible or necessary to preserve pleasant memories in the hearts and souls of all the people of the Americas. Thank you very much and God bless you. [applause]

Mercosur Negotiations With Bolivia, Chile To Continue

PY2012151994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1633 GMT 17 Dec 94

[FBIS Translated Text] Ouro Preto, Brazil, 17 Dec (AFP-NA) —In its final declaration, issued on 17 December in Ouro Preto by the presidents of Argentina, Brazil, Paraguay, and Uruguay, the Mercosur [Common Market of the South] summit reaffirms "its intention to conclude negotiations concerning the respective free trade agreements with Chile and Bolivia before 30 June 1995."

The declaration, which was signed by Itamar Franco of Brazil, Carlos Menem of Argentina, Juan Carlos Wasmosy of Paraguay, and Luis Alberto Lacalle of Uruguay, also expresses "satisfaction with the advances observed in the technical meetings maintained with Bolivia and Chile in the negotiations for the free trade zone agreements between the Mercosur and those countries."

Menem announced that the first summit meeting of the six countries to evaluate the progress of the talks, and eventually give them a little impetus, will be held on 1 January 1995 during the ceremony in Brasilia in which Fernando Henrique Cardoso will be installed as president of Brazil.

In order to reaffirm the ties between the Mercosur and neighboring countries, Bolivian Foreign Minister Antonio Aranibar and the Chilean economy minister participated in the Ouro Preto ceremonies.

Chile's Frei Terms Mercosur Accords 'Very Important'

PY1912222994 Madrid EFE in Spanish 2121 GMT 17 Dec 94

[FBIS Translated Text] Santiago, 17 Dec (EFE)—Today Chilean President Eduardo Frei termed the agreements defining the institutional nature of Mercosur [Common Market of the South] as well as its partnership with Chile as "very important." The two agreements were signed during the Mercosur summit held in Ouro Preto, Brazil.

The Chilean president, in statements made in Valparaiso, said that the Mercosur summit "is highly important, as it is the first time an institutionalized agreement has been reached allowing us to officially join the market."

Frei added that Chile's definite participation in Mercosur will allow it a greater opening toward European countries.

Frei said that his administration's policy is to join several complementary markets, which will require effort and the implementation of various measures designed to keep pace with the new social and economic reality these agreements imply.

He stated that Chile's presence in these new subregional agreements will allow the country to "obtain more investments, more work, and technology."

During the Ouro Preto summit Argentine President Carlos Menem, Brazilian President Itamar Franco, Paraguayan President Juan Carlos Wasmosy, and Uruguayan President Luis Alberto Lacalle established a date for Chile and Bolivia, which some five months ago expressed their desire to join the bloc, to join Mercosur.

The four chiefs of state stated in their respective speeches that Chile and Bolivia should conclude negotiations to join the group before 30 June 1995.

In Brazil the presidents also signed the Ouro Preto Protocol, institutionalizing the creation as of 1 January 1995 of the free trade zone and the partial customs union within the Mercosur framework.

The first official meeting of the Mercosur member country presidents with the Chilean and Bolivian presidents will be held in early January in Brazil, during the inauguration of Social Democratic President-elect Fernando Henrique Cardoso.

Brazil's Amorim on Mercosur Money Exchange Problems

PY2012005994 Sao Paulo AGENCIA ESTADO in Portuguese 1818 GMT 18 Dec 94

[Report by Carlos Franco]

[FBIS Translated Text] Brasilia, 18 Dec (AE)—By January 1995, when the Common Market of the South [Mercosur] will go into effect, the currencies of the Mercosur member countries—Brazil, Argentina, Paraguay, and Uruguay—will still not freely circulate within the bloc, and will still not have a similar exchange rate in relation to currencies in the rest of the world. Central Bank (BC) experts and Foreign Minister Celso Amorim himself have noted that it will be very difficult to set up a common exchange policy by 1995, because countries like Brazil and Argentina still use exchange and interest rates as instruments in their stabilization programs.

According to Amorim, Economic Policy Secretary Winston Fritsch's proposal to create a "snake-like" exchange system, following the European model, could be a solution. The problem of that "snake- like" system is that any change made in its monetary policy by one member country could upset the system. For instance, by increasing its interest rates this year Germany provoked a chain reaction in other European countries, which were trying to defend their currencies in light of the fact that the European "snake" is anchored on the German mark. A "snake" is a type of central line between two segments—one having the maximum rate, and the other the minimum rate—which serves as reference to a group of countries.

In this case, if the BC were forced to increase interest rates to contain the demand for currency and consumption, it would jeopardize the unified exchange policy of Mercosur. The free use of currencies within Mercosur could, however, materialize sooner. BC President- designate Persio Arida does not see any problems with this measure. Senator Dirceu Carneiro (PSDB-SC) [Brazilian Social Democracy Party-Santa Catarina), chairman of the congressional committee on Mercosur, believes that it will take at least two years to formulate the respective laws, including the financial laws, to govern relations among the four Mercosur member countries.

The main financial problem rests with the Uruguayan laws, which impose no restrictions on the inflow of foreign capital. Taking into account the bank secrecy rules observed in Uruguay, experts at the Federal Revenue Secretariat fear that Uruguay may become a fiscal paradise within the bloc. The subject will have to be included in the Mercosur economic agenda beginning in

1995. Amorim believes that, as happened in Europe, it should be expected that the process will be implemented over a more flexible timetable, so that the reconciliation of economic practices does not bring either undue benefits or losses to any of the Mercosur member countries.

Uruguay's President Discusses Launch of Mercosur

PY1912132094 Madrid EFE in Spanish 1412 GMT 18 Dec 94

[FBIS Translated Text] Montevideo, 18 Dec (EFE)—Uruguayan President Luis Alberto Lacalle today stressed that the launch of the Common Market of the South [Mercosur] on 1 January 1995 will be "one of the most important events since the independence" of the countries of the region.

Returning from the presidential summit in Ouro Preto, Brazil, where on 17 December the customs union and the tariff mechanisms were agreed upon and the institutionalization of the Mercosur was signed, Lacalle told the media that his country "is entering an important stage with enormous possibilities."

Lacalle did not hide his satisfaction over concluding his mandate on 1 March 1995, and handing over to his successor, Julio Maria Sanguinetti, with Mercosur up and running after difficult and tense negotiations.

Lacalle asked all sectors of his country to acknowledge "the effort by Uruguayan negotiators."

The president highlighted the task of the Foreign Affairs and Economy Ministries, which achieved Uruguay's participation without important traumas in the mechanisms of integration that will allow "a gradual rapprochement to full freedom within the common market."

Before the signing the agreements on 17 December in Ouro Preto, Montevideo media highlighted "the diplomatic success of Uruguayan negotiators, who obtained another victory" in face of the difficulties caused by the two main partners, Argentina and Brazil, at the summit in the Brazilian city of Ouro Preto.

The newspaper EL OBSERVADOR ECONOMICO stresses: "Uruguayan officials could hardly hide their satisfaction after the meeting of the foreign and economy ministers of Mercosur countries."

"Uruguayan demands provoked resistance and they were criticized by the delegates of the partner countries, but in the end an agreement was reached and they were approved," the newspaper indicates.

The main disagreement came over the Uruguayan proposal to expand the list of products that will be temporarily protected within the inter-regional trade.

Brazil indicated that the Uruguayan list "was an exaggeration and that it contradicted the philosophy of the customs union."

Uruguay submitted a list of 1,000 products for the common customs list of the Mercosur, while the Brazilian list contained only 30.

Barbadian Paper Expresses Doubts on Summit Trade Proposals

FL1912124694 Bridgetown CANA in English 1525 GMT 18 Dec 94

[FBIS Transcribed Text] Bridgetown, Barbados, Dec. 2 CANA—Following is the text of the editorial in Sunday's SUN newspaper:

"The world of international trade is a wicked world. It is a world of uncertainty and one in which it does not take long to learn that small is not beautiful. The big fellows call the shots. They set everybody's agenda.

It is quite often the case that when they fashion groupings the only thing the small nations know is that, however doubtful the benefits of going in may be, there is no future in staying out. It is a world of self interest and a world of initiative after initiative.

Last week saw a glittering array of political leaders assembled in the City of Miami. President Clinton and his Vice President were there, as were leaders from Latin America and the Caribbean. The only absentee was Cuba's enduring maximum leader, Fidel Castro.

The Miami summit is now over and, not surprising [passage indistinct] initially the United States, Canada and Mexico, which is now in its infancy, but which has the countries of the Americas lining up to get in. Of those, only Chile has so far been given the nod and can therefore expect to get in, in the near future.

While the trade ministries work on the development of the initiative, the countries of Caricom will have to fight for a regime that is sensitive to the peculiarities of small developing states, the fragility of their open economies, and the importance of letting the Lome Convention run its full course to the year 2002. It will be necessary for some things to be phased in and others phased out, just as is the case with NAFTA.

All along they will be haunted by the history of the various initiatives launched even before President Lyndon Johnson gathered Hemispheric leaders together at the Uruguayan seaside resort of Punta del Este in April 1967, to launch his Decade of Urgency. Others since like President Reagan's Caribbean Basin Initiative have all been long on promise but shorter on substance.

Prime Minister Arthur has already spoken to the specific issue of the needs of small developing states, including among other things, their need for relief from the burden of debt. He is right. The Caribbean might otherwise wait and then find that the agenda has been set without any input from this sub-region. Its interests have been signalled right at the outset.

But Caricom will not be able to take comfort in the acts and deeds of its chairman. It must set its own house in order. The task will be difficult enough for countries that come to the table with a record of implementing the decisions they take and observing not just the letter but the spirit of treaty arrangements.

Finally, there will be the issue of stark reality. The United States may appear for the moment to have backed off the banana issue, but will that turn out in fact to be the case? The United States has no history of dropping matters easily when powerful business interests complain. Nor has it ever been hampered by the subsidies its own farmers enjoy when it zeroes in on an advantage someone else enjoys, no matter how small or deserving of assistance that someone else may be.

Miami is history. The long hard and lonely march has now begun. We must get for ourselves the very best deal we can."

Cuba

Robaina Signs Cooperation Accord With Jordan

FL1912234994 Havana Radio Rebelde Network in Spanish 1800 GMT 19 Dec 94

[From the "National Radio News"]

[FBIS Translated Text] Cuba and Jordan signed an important cooperation accord in Amman on 19 December during Cuban Foreign Minister Roberto Robaina's visit. An official Jordanian source reported that the accord includes economic, scientific, and technical sectors and was signed by Robaina and Talal Sat'an al-Hasan, Jordan's minister of state for foreign affairs. According to our sources, Robaina has invited Talal Sat'an al-Hasan to visit Havana in the near future to sign an accord under which Cuba would buy phosphates and potassium carbonate from Jordan in exchange for sugar. During his visit to Amman, Robaina met with King Husayn to whom he delivered a message from President Fidel Castro.

Article Views Migration Situation With U.S.

PA1612174894 Havana PRENSA LATINA in Spanish 1023 GMT 14 Dec 94

[Article by Javier Rodriguez]

[FBIS Translated Text] Cuba and the United States have reached the end of 1994 facing a new situation in bilateral migration—one that is unprecedented since the victory of the revolution in 1959.

For the first time in three and one-half decades, the two nations reached a principle of understanding that put a halt to illegal migration from Cuba. This is something the island's authorities had always said was stimulated by Washington and the most radical groups of Cuban emigrants residing in Florida.

The agreement was reached in September in New York following several days of talks highlighted by the outstanding work of the Cuban delegation led by Ricardo Alarcon, president of the National Assembly of the People's Government (parliament).

The main chapters of the document signed represented a real change in the White House's policy toward Havana, considering that the United States gave up unconditionally receiving—as it had done up until that point—those who surreptitiously left Cuba, even through violent means which, at times, proved fatal.

Meanwhile, the United States made a commitment to normalize the process of granting visas to enable no less than 30,000 [as received] Cubans to travel each year to the United States as immigrants, as well as to "clean up" the list of those who have been waiting in vain for years for permission for such a trip.

All of the above, along with the difficulties caused to the Cuban people by the tightening of the U.S. economic and trade blockade and the hostile propaganda contained in thousands of hours of radio broadcasts transmitted from U.S. territory, have always been for Cuba the primary factors encouraging illegal emigration.

The migration problem—the primary bulwark of Washington's constant campaign against the island—had been taking on greater dimensions and magnitude as the years passed by.

Cuba always publicly pointed out the political undertones of Washington's policy on Cuban immigrants. This was clearly outlined since the acceptance in U.S. territory—without any restrictions whatsoever—of the main figures of Fulgencio Batista's ousted dictatorship.

The revolutionary wave disbanded that government, forcing it to flee in disarray toward the Florida shores. This included not only that regime's civilian representatives, but even the well-known representatives of that era's political repression.

Received without any difficulties, and in some cases even with honors, they became then the first manifestation of the preference of various U.S. administrations for everything that implied a rejection to Cuba's open process with the arrival in power of the Sierra Maestra rebels.

From there on was initiated a process of incalculable consequences, periodically illustrated by the illegal arrival to the United States of the remnants of terrorist groups dismantled by the island's government security apparatus.

This way, while in practice the processing of visa requests from citizens who wanted to leave in a normal manner to go that country declined, Cubans were denouncing the appeals for the use violence against the government—appeals accompanied by a guarantee of unconditional acceptance later on U.S. soil.

In 1994, this situation truly reached its peak in something that Cuba regarded as a carefully constructed plot to seek the destabilization of the country.

The commandeering of airplanes and naval vessels became incidents that happened over and over again with certain perpetrators, some of whom had long records of antisocial behavior, resorting to violence.

U.S. authorities always responded the same way by granting asylum to those arriving after having used violence to leave Cuba, despite official protests from Havana, and by helping give wide coverage to those circumstances.

The hot August of 1994 brought about a climax of the problem, because after some individuals staged disturbances in an area of Havana—disturbances that were directly opposed by the workers of Havana—a Navy officer and a policeman were killed during the commandeering of two boats.

The Cuban Government then decided to drop the restrictions on individuals who wished to emigrate through their own means after their visa requests were repeatedly denied by the U.S. Interests Section in Havana, and the flow of travelers ultimately drove Washington to the negotiating table.

As an offshoot of the abnormal situation abetted [words indistinct] U.S. authorities at the Naval Base at Guantanamo, in Panama, and even in the United States.

At the end of the year, the scale of balance on compliance with the agreements shows that Cuba has stemmed, through persuasion, the flow of people traveling to the United States via their own means, while the United States is beginning to implement the plan agreed upon at the negotiations.

Agreement Signed To Export Medicine to Argentina, Chile

FL1812211594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 17 Dec 94

[From the "NTV" newscast]

[FBIS Translated Text] The Genetic Engineering and Biotechnology Center, represented in Cuba by the (Haber Biotech) enterprise; and the National Center for Scientific Research, represented by the (Dalmer) enterprise, signed an agreement with Bago Laboratories on 16 December, to export medicines to Argentina and Chile.

The agreement will introduce the hepatitis B vaccine, the epidermic growth agent, the recombinant streptokinase, the alfa recombinant interferon, and the PPG or (ateromisol), to the Latin American market. Dr. Manuel Limonta and Bago representative Hugo Santos Dimarco [both identified by caption] were interviewed.

[Begin recording] [Limonta] This agreement is very important for Cuba, because Bago is a business leader in Latin America. Bago is a serious, very professional company, and we are ready to supply the many products we discussed. Because of this agreement, we can now sell to some countries.

[Santos] The advanced technology of the Cuban industry is very important. The contract with (Haber Biotech) is one of the first biotechnology contracts we are signing. Also, since Bago is a business leader in Latin America, this agreement is especially significant. [end recording]

Castro Delivers Speech at FEU Ceremony

PA2012045094 Havana Cuba Vision Network in Spanish 0220 GMT 16 Dec 94

[Speech by Fidel Castro at a ceremony honoring Lieutenant Colonel Hugo Chavez, retired, leader of Venezuela's 200 Revolutionary Bolivarian Movement, hosted by the Federation of University Students, FEU, at the University of Havana in Havana on 14 December—recorded]

[FBIS Translated Text] Much-admired Lieutenant Colonel Hugo Chavez—we have here a name to call him, because Leal used to call him commander. He told me that, there in Panama, he was called commander. Nobody has demoted him. Nobody has stripped him of his stripes, but I think people have wanted to promote him [words indistinct] military rank but a political rank, as the commander [words indistinct] can be considered. Comrades, professors, students:

There are many symbolic things about today's meeting. When we heard Hugo Chavez had accepted the invitation of Eusebio Leal to visit Havana, we did not know if he would come or not, given his heavy schedule, and the invitation was relatively recent. Nevertheless, there was no doubt that for a person like Hugo Chavez, the acceptance of this invitation entailed an act of bravery, because today there are not many brave men in this world who would dare to accept an invitation to come to Cuba.

There are even those who came to Cuba before and have now repented, making pirouettes to try to forget that they were once friends of the Cuban Revolution and even to forget that they were once leftists.

By accepting this invitation, we saw an act of great courage. Obviously, from our perspective, if we thought a visit by Hugo Chavez would adversely affect him, nobody would have considered inviting him, but our actions were prompted by a conviction that has been fully corroborated by the personal, political, and moral characteristics of Hugo Chavez, as well as by what he represents and embodies. From meeting our people... [pauses] As has happened, many revolutionaries, and even now I speak of many despite these difficult times, there are many who come to Cuba. You just witnessed a meeting of more than 3,000 people from all across the world who came to express their solidarity with our people. There are many who come to Cuba, because here there exists a rebirth of revolutionary consciousness and will.

Chavez's response was quick. The agenda for his visit had not been even organized, because we did not know for how long he would be here. We were told he would be here two days, and therefore we figured we had to draft a quick program that would agree with the personality who would visit us. Moreover, a heavy program was prepared. Nevertheless, as you see, the youth in Commander Chavez allows any type of program. He is also a paratrooper who runs 14 to 15 km to do a little exercise.

He told me one day he was harshly criticized because he was asked to deliver a lecture on Bolivar, and he spoke about Bolivar in depth. Nevertheless, the military leader who had ordered him to give the lecture to a regiment of paratroopers criticized him, saying he appeared like a politician. A heated discussion followed between the head of that military unit and three commanders, all of whom I understand took part in the Bolivarian Movement. Also, he told me that after the heated discussion, he invited his other two comrades to run 15 km to a historical site located near their unit.

As we drafted the program, we wondered where we could organize a dignified homage to our visitor for what he thinks, what he signifies, what he is. This is because he took up the banner of Bolivarian ideas and decided to visit the fatherland of Marti, teacher of our revolutionaries and a disciple of Bolivar—a country in which Bolivar is so much loved, admired, and recognized. We wondered what would be the best place to express a political thought so we can convey the sentiment of our people for the visitor and what our people signify.

We thought there would be no better place than the University of Havana. Moreover, at the University of Havana we could hold a ceremony on the front steps [words indistinct] or we could hold a ceremony at Cadenas Plaza. We thought it would be even better, because of its solemn and honorable character, to hold this ceremony at the university auditorium, even though it is not a large auditorium.

The presence of television cameras will certainly make it possible for many people to view this. Students from the mathematics schools must be able to evaluate it. This is why the organizers of the event chose this place. This ceremony will not be to grant an honorary degree, which we have granted so many times to the many prominent persons who have visited our country and have been honored in this place. We will not grant Chavez an honorary degree, because I believe he earned that degree a long time ago. [applause]

He is a humble man, a very humble man, truly humble. Chavez believes that he does not deserve all the attention he has received, and in any case, he hopes to merit them through his future conduct. However, someone who spends 10 years educating young officers—Venezuelan soldiers—on Bolivar's ideas, surely deserves these and even bigger honors. [applause]

He has been a teacher from the ranks and has given talks and held conferences and given courses to hundreds, thousands of Venezuelan soldiers.

We began to understand those things quickly, from the first days of confusion and disinformation. There was a great deal of confusion internationally and in Latin America. The international news media twisted the objectives of the movement. In the days that followed, when news began arriving on who had organized this movement, how they thought, what their conduct was, their way of doing things, everyone knows how the then-lieutenant colonel and commander of the movement touched the Venezuelan people by courageously claiming responsibility, no matter what the risk, for what had taken place. He personally assumed the responsibility, saying he was the sole person responsible.

We received news of the humane conduct of those officers and soldiers. We received news on their Bolivarian ideas, on their conduct in jail following the aforesaid incident. And we were reminded a lot of our own history, of what happened following the Moncada assault, of course under different circumstances. In Cuba, we were fighting against the military who unconditionally supported Batista's tyrannical regime. In the case of Venezuela, there was an insurrection by a group of revolutionary soldiers from inside the armed forces.

He had explained very well—everyone knows this in Venezuela—that at the time there was going to be unnecessary bloodshed among the soldiers, in a situation that could not otherwise be resolved, he assumed responsibility and prevented that bloodshed, which at the time would have been unnecessary. The circumstances surrounding the event at the time precluded the movement's victory.

He declared that the rebellion would be suspended for now. This caused a great popular commotion in Venezuela. The prestige and support for that group of officers and soldiers led by Hugo Chavez grew rapidly. It can be said that the history of Venezuela began to change, because all the ensuing events stemmed from that coup attempt. Logically, when we learned of the events as they were unfolding, it was impossible not to look at what had been done with sympathy and admiration, and especially [words indistinct] in an extraordinary manner those Bolivarian ideas that had been pursued. These ideas represented the basic objectives of this movement.

As he explained here, there have been other military movements. We had another great friend who was Omar Torrijos. [applause] He played a historic role by recovering for his fatherland the territory and installations of the Panama Canal. From now on, we will all be able to call it the Panama Canal. In the past, it was the U.S. Canal.

He also mentioned [former Peruvian President] Velasco Alvarado and a few others we have both known. [Words indistinct] have produced a magnificent military leader with extraordinary revolutionary feelings. And, as can be observed throughout the continent's history, military officers were the ones who initiated the struggles for independence in this hemisphere.

His arrival on 13 December coincided with the holding of the famous summit of Miami. No one planned it that way, but again, another truly symbolic event is occurring only 90 miles from Miami—the meeting of the people of Cuba with the Revolutionary Bolivarian Movement of Venezuela and of Latin America. One cannot speak of Bolivar without thinking of the entire continent, all of Latin America and the Caribbean. We are part of this continent as well as other Spanish-speaking, French-speaking, and English-speaking countries.

[Words indistinct] a summit of ideas, Bolivar's and Marti's ideas. And one asks oneself: What would Marti and Bolivar have thought if they had witnessed that summit? What would they have said? And, what would they have said if they had heard the words of the President of the United States, which Hugo Chavez has mentioned, who intends to present the Miami summit as the realization of Bolivar's dream? He only needed to add that the summit was also the fulfillment of Marti's dream. What would Marti and Bolivar think about that kind of society for prosperity—as I believe it is currently being called—that they are proposing?

In this society for prosperity, they are proposing that we see a great similarity between this summit and the ideas of that other summit, between the ideas of Bolivar and the ideas of Marti.

There is yet another symbolism. Hugo Chavez told me that he was born on 28 July 1954. So you can see the twist and turns of life and history and the significance of his presence, his role, and his visit; when he was born we had been in prison for almost a year on the Isle of Youth, as it is called now, following the attack on the Moncada Barracks. You can see how generations succeed each other. You can see how 40 years later, we are visited by the leader of a Bolivarian revolutionary movement or revolutionary Bolivarian movement, which is the same. Here the order of the factors does not change but rather multiplies the product. [applause]

We are speaking here at the University of Havana's auditorium of his patriotic, nationalist plans, speaking of his internationalist plans, speaking of his plans for Latin American and Caribbean unity at a time in which perhaps, more than ever, we are in great need for the ideas of Bolivar and in the face of this unipolar hegemony in the world. Our people are facing the danger of being devoured, totally devoured by the empire.

We are speaking at a time in which attempts are being made by that great democracy, the U.S. democracy, in which only 33 percent of the people vote, to destroy the principle of independence and people's sovereignty They have just decided the future of that country by following an extreme rightwing line. Only 38 percent of the voters showed up. The rest, 62 percent of them, did not even bother to go out to vote. They want to dress us up with that democracy's straightjacket and dress us all the same way from Alaska to Patagonia. Clinton mentioned a market in his speech, in which he was undoubtedly speaking for U.S. public opinion. He spoke about a market of 850 million persons. It is a shame that he did not say from Alaska to the Malvinas. He should have included the Malvinas in this hemisphere. The old Argentine demand would have received a great boost, but they do not want to... [pauses] There is a country that does not wear that uniform. That country must be left outside. We are the bad guys in the movie, therefore, they need to apply universal democracy. How are they going to [word indistinct] with regard to Cuba? How are they going to apply their style? How are they going to impose their straightjacket on us if we do not want it?

We have fought to be independent as other Latin American countries have fought. They talk about the need to apply that formula. I am talking about imperialist intentions, not of the presidents gathered there at the summit in Miami, which was the place chosen by the U.S. authorities, on the day they saw fit, with the agenda they saw fit, without consulting with anyone else. It was logical for the Latin American presidents to attend since many interests were at stake, all linked to the resources and to the economic, technological, and political power of the United States. They attended. Even we would have gone if we had been invited. I had already said we would have been pleased to attend so that the fascist mafia, controlled by the rightwing extremists, could see that we would not be afraid to go to Miami. Even we would have attended, and it would have been at least a proof of political pluralism, a proof of political democracy.

Cuba was excluded. Very well. [words indistinct] to respond to the very honest Mexican journalists. [words indistinct] the last rebels [words indistinct] summit of rebels. But this is not pejorative. We hear many of the presidents who were there maintained a very dignified position, because there were some—I do not want to mention any names because I do not want to tarnish the purity of this room—who favored a discussion of the issue of Cuba and a condemnation of Cuba and an execution of Cuba. This is indeed true because some people dream of the execution of Cuba.

If it was difficult to execute seven students, it will be even harder to execute 70,000 or 700,000 students. It will be difficult to execute 7 million Cubans, who, by the way, will not be disarmed.

Someone said there that some people attempted to apply the Haitian formula to us. This is really like going to play ball in the North Pole [words indistinct] because in reality, all the mercenaries of the world would not be enough to apply the Haitian formula on us. [applause]

However, we must warn that the philosophy that is in vogue now is the one that claims that sovereignty is not as important as what they call democracy and human rights. As if there could be democracy or human rights without independence or sovereignty. And they prepare theories, and more than one person speaks in a nearly pejorative manner of the principle of sovereignty.

But I was telling you that despite this atmosphere that the fascist mafia tried to create and among what we could expect from a meeting in Miami, we have the justice that numerous Latin American presidents—namely of Mexico, Colombia, and Brazil, with an excellent attitude—resolutely opposed any attempt to condemn and try Cuba in its absence; not only these presidents but other distinguised Latin American leaders, and as a rule, the Caribbean leaders kept a firm attitude—brave and resolute. The conspiracy of some elements failed completely, and there was great disenchantment among members of the mafia and other people.

They were unable to annihilate Cuba there. There is no doubt that there was more than one rational person there. We may even add that the U.S. side did not emphasize this matter. And we could not say that it tried to instigate a condemnation against Cuba, regardless of the imperialist attitute, which is very clear. This strategy is aimed at establishing the principle of intervention, a principle it has applied throughout this century many times. But under these circumstances, it seeks to apply this as an institutional principle: the right to intervene in Latin American countries to establish the political and economic regime the Uniteed States deems convenient. This is really dangerous for all Latin American countries. This also explains why they do not want revolutionary military leaders like Hugo Chavez to visit the United States. They do not want this, nor do they want to hear anything about Chavez for a very simple reason: if something can be really worrying for imperialist interests, it is military revolutionary Bolivarian movements like the one Hugo Chavez represents.

It is because of this that they also want to eliminate the Latin American nations' armed forces. They do not speak of eliminating the U.S. Armed Forces, nor of reducing the U.S. Armed Forces. All the contrary, they spend almost $300 billion annually—after saying that the cold war is over—on the military. Every day they manufacture more weapons that are more sophisticated. In turn, they want to turn the Latin America armed forces into policemen to defend their interests, to solve the problems that cause them concern. This is why the idea of a revolutionary military is something that greatly bothers them.

It is not a repressive military. It is not a matter of a military willing to maintain order and to defend the imperialists interests. These are revolutionary armies, and that must cause them a great deal of concern. This is why they even want to eliinate the armed forces in Latin America, so that there will not be the least possible bit of resistance or of force.

They used these armed forces over many years as tools under their control. Now, however, they fear them because they know that there is a patriotic potential, a potential of men in those armed forces willing to defend their nation's sovereignty. Not all are the same, not all have the same traditions. There is great concern, however, when there is talk about reviving Bolivar's ideas, reviving Marti's ideas, which they know very well, and when there is talk about Latin American unity, of true Latin American identity, of Caribbean identity, and about creating, as Hugo Chavez has said, a force, a nation, a state, a federation, a united force, such as that created by our forefathers, like Bolivar, San Martin, and Marti. He [words indistinct] considered worth mentioning the officers' movement of Artigas, he mentioned the Peruvian example, he mentioned the example of Panama. That is, those ideas are truly contrary to the ideas of the Miami summit.

We have been receiving an extensive amount of news and documents on that summit. It is impossible to read in 48 hours all the documents on that summit. There is a speech by the U.S. President, which was undoubtedly aimed at the U.S. public. There were no words for Latin America. There are a whole bunch of documents previously prepared and very sweetened. At the beginning it was decided that some issues were not to be included, such as immigration matters, the resolution... [pauses] Proposition 187, foreign debt, and other problems. Pressure by the Latin American leaders and the Caribbean leaders undoubtedly forced some of those issues to be included in the Miami summit, in the final documents of the Miami summit. At a given moment, one is somewhat surprised at [words indistinct]. Where was that summit held? In Miami or in Leningrad in the times of Lenin and of the October Revolution? There is an abundance of sweetness in those documents, therefore, there is no doubt that those who drew them up are expert sugar producers. There is a taste of sugar, but only a taste. I do not think they contain any sucrose or glucose, but lots of saccharine, which sweetens but is only an illusion, a feeling, so as not to get fat. Of course, there is no interest in the Caribbean and Latin American people getting fat. Lots of sweetness, or lots of sweet taste.

If we hold a party congress, many of the issues of the Miami summit would be considered there. Basically, to start, there are the political issues. They talk about democracy, the promotion of democracy. One must applaud this, because democracy is what must be promoted. Hugo Chavez already spoke to us on some types of democracy that he has known, and he has given his opinion on these.

Until now, until some days ago, those who are knowledgeable about contemporary history could not help thinking of the U.S. plan to promote democracy as something fabulous and legendary. That country has overwhelmed this continent with interventions. It has intervened in countries because they have debts of $20 million [as heard]. This was the case of Haiti, Santo Domingo, Nicaragua, and I do not know how many more countries. It even happened here, but in addition, the United States had the constitutional right to do so here.

The United States is currently seeking to establish a sort of Platt Amendment for the entire Latin American area: establish a right to intervene. Everyone knows what the situation has been in Central America, the Caribbean, and South America. The United States has not only given support in this hemisphere, but the world over and throughout the century, to the most repressive and cruel governments ever. Anyone analyzing the history of the conduct of the United States in this hemisphere can truly applaud their plan to promote democracy because they were supported and they maintained and upheld governments of landowners, oligrachs, and ferocious, cruel and bloody tyrannies.

Until now, how could anyone forget the events in Guatemala. I believe they happened the same year Chavez was born. When we were imprisoned, I believe it was in 1954, a sort of Bay of Pigs took place and succeeded in Guatemala. The government of Arbenz was overthrown and a Mr. Castillo de Armas came to the scene with a mercenary army. Do you know that after that, during almost 40 years, there were no political prisoners in Guatemala? This category did not exist; there were only missing and dead people. There were mainly missing people, no political prisoners. Over 100,000 people vanished. I am only mentioning an example, a country that was very well-represented at the Miami summit. There are still revolutionaries fighting in Guatemala.

Everyone knows what happened in Nicaragua: who propped the rise of the Somoza family and who supported them for so long. Everyone knows who armed the dictatorial governments in El Salvador and who supported them with a steady flow of sophisticated weapons, money, training and all the rest to crush the revolutionary movement. Who does not know what happened in Honduras? Who could forget that long ago, Mexico had been stripped of half its territory and there was intervention several times during the years of the Mexican revolution? The history of the Panama Canal and the Panamanian governments until the time of Torrijos is another case in point. Who could forget the events everywhere else and the U.S. alliance with the most contemptible governments everywhere? Who could forget, once again, the events in Chile? Who supported the military, gave them resources, training, weapons, and everything else?

We cannot forget the events in Brazil, Uruguay, and Argentina, where there were between 15,000 and 30,000 missing people and virtually no political prisoners. The places I have mentioned were the setting for some of the most atrocious crimes ever committed—and I have not mentioned incidents outside this hemisphere. These were, I recall, the ways in which the United States promoted democracy in this hemisphere. This was one of the biggest rewards they offered: the promotion of democracy. They later offered to promote human rights.

U.S. specialized organizations were responsible for training the executioners in this hemisphere. Those organizations taught the most sophisticated methods to torture people, and those methods have been applied against millions of people. In many countries of our area there have been such things as death squads and people who have disappeared. I do not know how many countries in Latin America do not have missing people. No one can say, however, that there has ever been one single missing person or political assassination in Cuba in the over 35 years of the revolution. The figure of the tortured and missing people is in the millions. The death squads were presumably created to fight crime. There are millions of children who have no relatives and live on the streets begging for money, despite the enormous wealth in these Latin American countries. These countries are not faced with an embargo as we are or with an economic war as the one being waged against Cuba. This is only the beginning.

The rights of Indigenous people is another issue: the protection and support of Indigenous people. In Cuba, speaking of indigenous people is almost parallel to referring to something sacred. The United States can certainly commit itself to supporting its indigenous people and sign 20 agreements in this regard. This is true for one simple reason: because there are no indigenous people in the United States. They finished them off a long time ago. There are some Native Americans left in the reservations, to whom the government gives some money to finance their drinking habits. They have taken their vices, drugs, and other evils into the reservations.

This is one of history's cruelest twists. And it happened in more than one country. There are other Latin American countries whose indian populations are numerous and even constitute a majority. We can say, however, that indians are not a byproduct of this hemisphere, as they have been treated. Indians were already in this hemisphere when the white man arrived. What is left of the indian population, as well as their suffering, are a byproduct of colonialism, neo-colonialism, and imperialism. It is necessary to provide action programs to protect [words indistinct] and women and her rights, as well as programs against corruption and unemployment.

There is also talk of a fight against illiteracy, against lack of health, against drug trafficking, against drug laundering, sorry against money laundering—a result of drugs and other crimes, because the money they launder comes from all sources, from the money stolen over there with trucks from the public treasury and from public businesses to drug trafficking money. Well, they could have added other things. The fight against the trade of vital organs. Oh no, they have not included everything. The fight against prostitution and against child prostitution. The fight against gambling. The fight against the unavailablily of land, from which peasants of this hemisphere suffer. They do mention the struggle in favor of the environment and in defense of the environment.

The question we ask ourselves is the following: Where are the causes of these phenomena they mention? How can all of this be mentioned without talking about the causes of all of this? We ask ourselves what are the causes of poverty, unemployment, drug use, discrimination against the indians, discrimination against black people, discrimination against women, discrimination against minorities. What is the cause of all this? Of poverty, hunger, unemployment, of the lack of basic resources? You don't have to discover anything. Everyone knows that capitalism is the cause of all this. Everyone knows that colonialism and imperialism are the casues of all this. [applause]

All of this comes with that disguised sweetness, those theories disguised as sweets to convince millions and hundreds of millions of men and women in this hemisphere that as long as capitalist exploitation exists, as long as neocolonialism exists, as long as imperialism exists, that phenomena could disappear. It is a colossal hoax, it is unbelievable. This is how our people are treated, they are truly treated with absolute contempt. However, what is behind all of this? It is the empire reordering the world, it is the empire reordering the world economy and the regional economy. It is the empire turning the armies into policemen. It is the empire seeking to destroy the defense mechanisms. It is the empire attempting to organize on a continental level the Platt Amendment. Many Latin American governments who were represented there are fully aware of the dangers that all of this policy represents. In addition they are fully aware of the times that this hemisphere has been deceived, the times that our peoples have been deceived.

However, the intention now is more one-sided because within the plans of action there are a series of matters that make reference to the economic field. The struggle for the total reduction of taxes and protection measures for Latin American economies, the struggle for absolute freedom of investment without any control whatsoever by the states. The struggle for the totally free movement of capital. A society for prosperity among the millionaires and the paupers.

The millionaires will get the best of everything. The penniless will receive the leftovers, not the product of their work, but the leftovers.

What is the idea behind this associating for prosperity? In this hemisphere, who is going to be competitive with the elimination of customs and mechanisms that our countries and all the countries of the world, including England when it was the free-trade champion, have traditionally implemented to protect their economies? The United States implemented these mechanisms throughout its history, when it was developing. Now the penniless have been presented with the proposition of eliminating all barriers, all the defense mechanisms. What will remain in the hands of the Latin Americans?

These are new situations. Not even the economists have had time to think much about this, to carefully analyze this problem, but we must very seriously ask ourselves about the consequences.

U.S. enterprises will seize all the fundamental economic activities, and no one will be able to oppose them. They will become the owners of telecommunication systems, of the airlines, of shipping lines, of all the banks, of all insurance houses, of all credit enterprises, of electronics, chemical, and petrochemical plants, of biotechnology, of the pharmaceutical industry, of all the vanguard sectors.

No one will be able to compete with them. This is very far- reaching. It can happen if one does not carefully consider the consequences of all these measures that they are proposing to the Latin Americans, because they are going to have to fight within that society for prosperity under an absolute and total disadvantage. This is the destiny that awaits Latin Americans. I urge researchers and scientists to think and consider carefully all the measures that they are proposing and this plan of action that they plan to carry out.

The empire is the same, even when immersed in political confusion and regardless of which party is in power. Some administrations are more moderate than others, but it is the same empire and the empire defends its interests. It has been said that a market is being created for 850 million people, but only 250 million people will eat. The others will go hungry.

They are selling all the merchandize at low prices at a moment of crisis in the world's revolutionary movement, following the catastrophe of the socialist camp, the passing of the Soviet Union, when the United States has tremendous might and is determining what tomorrow's world will be like.

They are the ones who have virtually destroyed nature; the ones who have poisoned the environment; it is they; they are the ones who have destroyed the forests; the ones who have saturated the atmosphere with carbon dioxide; they have poisoned rivers and seas with their consumption societies. They are the ones who created those models that they now want to universalize. And all their actions are incompatible with the most basic human rights of man.

And those things they talk about, and the programs to combat [words indistinct] a genuine impossibility. And we have not mentioned Africa and other parts of the world. We only mentioned the situation of Latin America, where in my opinion, we must pay special attention to our country, which is threatened by all those theories that are trying to sweep sovereignty; threatened by all those theories that are trying to swallow and devour the material and human resources of this hemisphere.

And it is within this backdrop that we (?underscore) the importance of having many men such as Hugo Chavez in this hemisphere. And I am sure that there will be many men such as Hugo Chavez in this hemisphere, because ideas come out of realities; his ideas came out of the reality that they were experiencing, they are rooted in the thoughts of the leaders of the independence of Latin American countries; of those who lived, those who were born 200 years ago; of those who were born when Marti was born, that was fewer years ago. Marti was born 23 years after the death of Bolivar. But they are linked with each other; the generations of revolutionaries, generations of fighters are linked. And from this breeding ground, these conditions, this reality will give birth to a breeding ground of ideas and combatants, because millions of men and women will not fold their arms.

We know what is happening in Latin America, because we receive many visitors, and many congresses and meetings are held here. The television announced that in February there will be a meeting of about 6,000 educators, and when educators meet here, we listen to what each one of them has to say: that they lack resources, materials and budget. When physicians meet they say the same thing. Is it anything other than capitalism, anything other than neoliberalism that has significantly worsened the situation of health and education? And they are now telling us about health and education for the year 2000 or 2005, and this reflects the situation. [laughs] In the year 2005 [words indistinct] achieve the education levels that Cuba achieved more than 20 years ago, and the health levels that who knows how long ago Cuba achieved.

Do you know how long ago discrimination against women disappeared from our country? Do you know how much we fought to achieve this feat and how long ago we wiped out discrimination against women and black people? Do you know what our efforts against unemployment and poverty to improve the people's standard of living were? How come our country, our country has no problems with money laundering; our country has no drug-related problems; and our country has no gambling problems; our country has very few of the problems mentioned in those plans of action. Our country does not have peasants without land; on the contrary we are looking for people to work the land, because most people migrated to the cities. Almost none of the problems mentioned there exist in Cuba. We have not had these problems in a long time, let alone now in this special period. [applause]

What country did they exclude? The country that has the greatest number of doctors per capita in the world, the highest number of professors and teachers per capita in the world, the greatest number of teachers of the arts in the world, the greatest number of physical education teachers in the world. If we continued to analyzed the number of university professionals and technical professionals per capita, we would reach the conclusion that we have too many professionals. We challenge this Latin American capitalism, this neoliberalism, to achieve this level of success that I am describing within 30 years; it is a level of success that not even the United States has achieved. I am asking myself how he [not further identified] is going to solve such problems as drug trafficking, because drug trafficking is part of neoliberalism and follows the laws of demand and supply and the laws of the market. These are the sacrosanct laws of capitalism. How are they going to prevent money laundering and corruption? The opposite is true: they are the ones whom corruption will avoid. [sentence as heard] I repeat: They are not the ones who are going to prevent corruption; corruption is the one that will continue to avoid them. Corruption is a widespread phenomenon. They may even speak about an anticorruption law, because they are already speaking about signing some international agreements to find out where money is coming from and where it is going. It is like finding out how water gets into the coconut. They are unable to end corruption and money laundering; these are just dreams that may be realized in 10 years.

I was telling you that many Latin American people come here, and they all say the same thing. These are people from all segments of the population, and they all maintain that neoliberalism depleted all resources. It took everything away from people; it privatized and sold everything, while the foreign debt does not decrease but gets larger and larger. They already spent all the money collected from their sales. They spent part of this money in paying debts. Time will tell if the social problems they are speaking about could be solved within their system, and if the plans of actions could also be implemented within their system.

This is the almost unanimous point of view of the Latin Americans who come here, of the Latin American professionals who come here. You keep in close touch with them. This is the position of scientists. There is no support for science. If I were to speak about science, I could say that our number of scientists per capita is among the highest in the world. [applause]

All visitors tell us the same. They have the same concern.

Why would it be strange if revolutionary and patriotic movements emerge in Latin America? If military people, in particular, emerge? Venezuelans have hoisted these banners, and they are the ones closer to Bolivar and to Bolivar's history.

In the past, people who spoke of Marx or Engels or Lenin risked imprisonment. I can remember that when I was on trial at Moncada, I was accused of a terrible crime: I had a book of Lenin. The prosecutor told me: You had a book of Lenin. I will not repeat exactly what I said, although I did not use any bad words. I said: I do have one and he who does not have one is an imbecile. No, I said ignorant. That is what I told him, and I said it with anger. It was a crime to have a book of Lenin.

Hugo Chavez tells me that there are places where one cannot speak of Bolivar. The moment may come when the mention of Bolivar, Miranda, Sucre, Marti, or Torrijos will be considered a crime, a state crime. Their ideas represent the revolution of this era. Here we speak of Cuban unity, but on the occasion of Hugo Chavez' presence we can speak of Latin American unity. These are ideas and principles we must defend now more than ever.

Obviously, if the ideas of Bolivar and Marti are followed meticulously, they would lead to the end of injustice and exploitation and resolve our people's desperate need for social justice. We can always conclude that the revolution, which sooner or later puts an end to injustice and to unjust systems, will be the one to resolve the social problems of our people.

Each of us may give this revolution one name or another. It is well known that we call it socialism. [applause] But if somebody were to tell me, this is Bolivarism, I would say: I wholeheartedly agree. If somebody were to tell me this is Martism, I would say: I totally agree. Furthermore, if somebody tells me: this is Christianism, I would say: I completely agree. [applause]

We feel very honored with your presence here this evening, commander and lieutenant colonel—commander in chief of the Revolutionary Bolivarian Movement. You have spoken to us of these ideas, of meetings to prepare a second and a third amphictyonic congress. These are the ideas of these times. This is the anti-imperialism of these times. This makes us more aware than ever of the need for Bolivar and Marti.

Long live Bolivar's ideas. Long live Marti's thoughts. [applause]

Torres: Harvest Supply Accords Pending With Foreign Firms

FL1912232694 Havana Radio Rebelde Network in Spanish 1800 GMT 19 Dec 94

[From the "National Radio News"]

[FBIS Translated Text] Sugar Industry Minister Nelson Torres affirmed that agreements have been committed to with foreign firms to acquire resources for the sugarcane harvest. In addressing the issue at the extended Cuban Workers Federation plenum, Torres stated that the materials acquired in this manner are to be used to achieve the recovery of the sugarcane industry and must be used efficiently.

Torres also announced that the current struggle has had a good beginning, supported by the high spirits of the sugarcane cutting forces, who have been guaranteed shoes and clothing during the course of their work for other material necessities and an adequate food supply.

New Sugarcane Combine Triples Traditional Yield

FL1912160494 Havana Radio Reloj Network in Spanish 1502 GMT 19 Dec 94

[FBIS Translated Text] The new Cuban sugarcane combine, KTP-2M, cut up to 38,000 arrobas of sugarcane in one working day in its first harvest at Antonio Maceo Agroindustrial Complex of Cacocum Municipality, Holguin Province. The combine, one of 20 being used in the harvest, doubled it's initial capacity, and tripled the traditional yield of all other sugarcane combines in use in Cuba to date.

The producers of the combine praised the quality of the machine, stressing the high percentage of hydraulic parts which improve operational efficiency. They also noted that the harvesters' Cuban-produced Taino motor is an important element of the self efficiency of the KTP-2M.

Lage Announces Economic Decline 'Checked'

FL1912225194 Havana Radio Rebelde Network in Spanish 1800 GMT 19 Dec 94

[From the "National Radio News"]

[FBIS Translated Text] Carlos Lage, secretary of the executive committee of the Council of Ministers, has affirmed that the decline and deterioration of the Cuban economy, which had been suffering the effects of the disappearance of the USSR and the socialist community and the strengthening of the U.S. blockade, has finally been checked. Lage stressed that only socialism has allowed us to survive the first phase, and enables us to now tackle this second chapter with steps that are irreversible and unpopular. They are essentially different from steps taken by other nations in that they are intended to protect the interests of the people.

Lage added that the measures taken have not actually resolved the problems, but have fostered conditions under which to better confront them. Lage said they will bring out the best in each sector and location, and will not unleash processes that could elude control by the socialist state.

Correspondents Debate Cuban Development

FL1712185294 Havana Radio Rebelde Network in Spanish 1700 GMT 19 Dec 94

["Straight Talk" program with host Juan Carlos Roque Garcia and guest Luis Sexto]

[FBIS Translated Text] [Roque] Luis, as you know, there is a meeting of non-governmental organizations underway in Cuba. They are analyzing the population situation in preparation for a summit to be held in Copenhagen. However, I believe that we can analyze how Cuba has advanced, even during the current situation.

[Sexto] We must bear in mind that Cuba is going through a situation that affects, to a certain point, our social development. However, that is one of the things that should drive and inspire us during this time when the people band together to defend socialism's accomplishments. Some think that because Cuba has lost its markets, friends, credits, and capital from the socialist camp, we have come apart. It is said that due to the paradigm's fall, Cuba has fallen apart; is alone and unprotected and uncertain about about which direction to take.

[Roque] The path to follow is certain and is already being taken because Cuba has been able to evolve, adjust to the situation, and knows how to insert itself in today's world.

[Sexto] That's right, Juan Carlos. I believe that Cuba has lost the support of its friends abroad. I mean that no country can live closed off or live within a glass bubble. Friends are necessary and the economy has its ups and downs. Therefore, no one can survive in this world alone. When Cuba lost those friends it had to begin to create new markets, find new countries with which to trade, find new credit sources, et cetera, et cetera. Nevertheless, Cuba has not remained defenseless, nor without internal coherency. What we must recognize and defend today—with all our might—is Cuba's internal coherence. Cuba has lost markets, but not social objectives. The paradigm of so-called pure socialism has fallen, but Cuba has not lost its paradigm. Cuba's paradigms are its social and political goals, and they are still standing.

[Roque] Luis Sexto mentioned internal coherence. I think this is a good concept to address, to clarify everything involving this new concept, not just a new concept, but something that we could analyze.

[Sexto] Let's return to 1959. Even though you were very young, you will remember the masses supporting and joining the Revolution. It came, and brought us everything, because Cuba had nothing. At that time, Cubans had everything to gain. It was the beginning of a long struggle; it took a lot of blood and sweat. Everything was to be fought for by those Cubans who needed justice. Many things were won. Today, we are in the middle of a battle. We are not at the bottom perhaps, but we are in a very difficult situation, in a very difficult economic crisis.

[Roque, interrupting] Yes, in another battle.

[Sexto] Yes, of course. We will talk about that battle. We are trying to maintain what we have accomplished. Today, I do not think we can say that we have everything to gain. Today, the proposition should be: Today, Cubans have everything to lose. That is to say, if we do not defend everything we fought so hard to achieve, we will lose it all. I believe our internal paradigm, our internal coherence lies in this. We have our cause; we will not stray from our cause, our social objectives. Social justice is one of our great causes. As you were just saying, Cuba needs to readjust, to modify the economic model we followed for the last 30 years because, of course, this model is no longer effective under current economic circumstances. The economic model has been gradually changing; it has undergone changes, very cautiously. It is necessary to continue making decisions. It will not be the same as it was before. Someone mentioned to me that it is terrific that my son eats lunch at school without paying a cent; it is true that it is wonderful that he not only studies at school, but eats lunch there as well, without paying anything. But Cuba can no longer retain this social largess. Now Cuba needs to create certain taxation mechanisms that tie the citizen to the state budget more. This must be understood.

[Roque] Absolutely. Because that is exactly the way to guarantee the continuation of the social development that has been accomplished up to this time.

[Sexto] I agree: Establishing a solid, strong economy will guarantee that our aspirations of social justice and social development can be achieved. Of course, this has somewhat decreased in current times, but Cuba continues to see this objective as fundamental to our nation and society. We must always keep this in mind, and above all, the fact that the Cuban Revolution has already achieved social developments that the American people are only now discussing—in the least appropriate place for such discussions, Miami—regarding social development on our continent. They are discussing things that Cuba has already resolved and has had resolved for a time; things that now are a little damaged, impaired by the economic crisis, but they have been achieved and are working. We are talking about schools, education, medicine; we are talking about all the social growth in Cuba. The Cuban of 30 years ago is not seen the same as the Cuban of today. Today he is more refined (mas rico), wiser; Cuba as a nation is more refined, wiser, although it is a poor nation. We must always keep this in mind.

[Roque] Many Latin American nations, not the nations, but the people, would like to have the same social development that Cuba has today.

[Sexto] Any Latin American nation would like to say, like Cuba, that it has the best prepared, most qualified work force on the continent. This is undoubtedly one of the social accomplishments of the Cuban Revolution, when one out of every 15 Cubans has a college degree and one out of eight has a technical degree on the wall at home. These are qualifications that know how to face life.

[Roque] We are talking about our social development, which is conditioned by many things. Cuba nowadays discusses things that could maintain the social developments that have been achieved, and which we cannot renounce. However, certain situations are taking place—which we cannot forget in this analysis if we are truly talking straight about social development. I think there are things that should be stopped at once. There is one thing that could be unintentionally forgotten on this path toward uniting new economic relations and the social development of our country.

[Sexto] What are you referring to, Juan Carlos?

[Roque] The differences that are already beginning to appear in certain sectors of the population—for example, people out in the streets begging. They do not have sufficient resources to confront the new economy. For example, yesterday a piece of bread and a croquette cost 3 pesos at Copelia. That person cannot buy it. This creates begging.

[Sexto] I have seen this and I know that all Cubans are aware of this. All of these things are a consequence of the economic crisis. We must acknowledge that we are suffering an economic crisis. Cuba is struggling to emerge from the economic crisis. Now Cuba has stopped the decline, and it is possible that from now on we will begin to slowly recover from the tattered economic situation that we have suffered in the last five years.

[Roque] But there are organizations that should be aware of this and can somewhat channel the situation. They should also try to find a solution for this type of people.

[Sexto] I agree. I think that the social aid organizations must be abreast of this situation. We must also ask ourselves if these people who are begging do so because they truly need it or do they just do it. Maybe they beg because lack of discipline has become so generalized that begging is now part of that same lack of discipline that has become generalized in Cuba and which has been stimulated, precisely, by the economic crisis.

[Roque] But there are differences. The type of person you are referring to is different from those I am talking about.

[Sexto] I think that we must watch that type of thing. I also think that the new measures, the reorganization of our economy, also bring certain social differences. I do not think that Cuba is ready to accept poverty. I do not think that the objective of Cuba's strategy is to accept poverty.

[Roque] I agree.

[Sexto] I think we are breaking the equalitarianism. I think that there will be social differences because man should get a response for his efforts, work, and capacity. He should live in accordance with those three factors. We have said this many times before: If I make a greater effort, I should live better than someone who does not. Someone who puts forth little effort cannot live better than me when I am putting forth greater effort. Those other concepts must be broken. Now then, I think that Cuba must give social aid to these people and not leave them on their own. Juan Carlos, I do not believe that this is about feeding parasites—that's a different story. We are defending the fact that an individual must have the necessary space to make his own destiny. That space must be kept in mind. Juan Carlos, what we are also talking about here is not massive like you see in the capitals of countries on our continent. There are not hundreds or thousands of people in this case out in the streets. I have certain memories of my travels throughout Latin America. I recall these devastating things.

[Roque] I think that based on what you said—something we have seen ourselves—we should fight. We must know how to differentiate between these things. Here there are organizations that know how to solve those problems. That is why I had said that social development has to go hand in hand with a country's capacity to confront a situation that did not exist before. Do you understand? I believe that Cuba's social security ... [changes thought] those two words should be spelled with capital letters.

[Sexto] Yes, Juan Carlos, that is one of Cuba's goals. That is very clear in the development program, in the national development program. That is one of our goals in preventing this other matter from happening. Undoubtedly, Cuba's situation will cause some of these things to happen, but nevertheless... [changes thought] I was walking down L street and a lady came up to me begging for 10 cents. I gave her the money. However, I believe that charity is not going to resolve a problem. I believe that charity is the most unfair thing around because you help one person, but what about the rest? The solution is to enact the great charity, the Revolution. The Revolution is the biggest charity because it tries to solve everyone's problems. That is what I am referring to, that is one of our goals. That person who is asking me for 10 cents—only God knows what she wanted it for—will not have any problems being admitted into a hospital if she becomes ill. No one will ask her how much money she earns, what her name is, what color her skin is, or what her religion is before admitting her to a hospital. Sometimes we complain about the attention we receive because the crisis also effects hospitals, there is no doubt about that. In any case, the goal is there. That is what I was referring to in the beginning, Juan Carlos....

[Roque, interrupting] Equal rights which we all have, even though there may be differences because everyone does not have the same income.

[Sexto] We must defend the right to an education, to health care, and to social security for all, equally, as well as judicial equality. Now then, living a little better is going to depend somewhat on each individual. I defend the idea that each individual should have enough space to make his own future. That is necessary. I repeat, it is not a matter of Cuba supporting parasites. We can not continue to do that, support those who do not work.

[Roque] There is talk of subsidizing people with low incomes, not products.

[Sexto] That is right. I believe that is the theory that will prevail. Subsidize people with low incomes. Everyone else—through their own work. We will have to implement measures, jobs will have to be somewhat liberated, but that is something that we will talk about on another occasion.

Deputy Minister on Draft of Hydrocarbon Bill

PA1512234894 Havana PRENSA LATINA in Spanish 2251 GMT 14 Dec 94

[Report by Javier Rodriguez]

[FBIS Translated Text] Havana, 14 Dec (PL)—While the Cuban parliament is preparing to debate a mining bill next week, specialists of the Ministry of Basic Industry (Minbas) are preparing to draft a hydrocarbon bill.

The report was confirmed today in Havana by Antonio de los Reyes, Minbas deputy minister, during his appearance before the Economic Affairs Commission of the National Assembly of the People's Government to analyze with the deputies the bill on the Mining Law, which will be presented to the plenum of the legislative body.

De los Reyes said that this bill is the result of a tremendous collective effort by experts and individuals who are well versed on the subject and that its fundamental goal, once approved, will be to establish the needed prerequisites for the approval of concessions.

Moreover, its articles reaffirm that the Cuban state maintains inalienable rights over the subsoil, mines, and mineral resources found in the country.

Its provisions also seek to create a highly efficient and competitive climate in that sector, which is receiving the special attention of foreign investors according to the deputy minister.

A total of 15 foreign companies are already prospecting and have signed joint ventures with the Cuban Government, including companies from Canada, Australia, Venezuela, Panama, and other countries according to De los Reyes's report.

De los Reyes affirmed the existence of these kinds of joint ventures, which are focused on approximately 30,000 km square of country, and he said his ministry expects to increase these types of ventures to 40,000 square km by June 1995.

These joint ventures work on investigations for the search or exploitation of nickel, cobalt, and gold mines, among other minerals. De los Reyes confirmed that among new the investors interested in reaching an agreement with Cuba are South African businessmen.

He said the Mining Law would protect the nation's sovereignty and will favor the security and stability of the business ventures of national and foreign companies.

De los Reyes said the permanent hostility of the United States, the persistence of the economic and trade blockade against Cuba, and the direct pressure exerted on nations wanting to invest in Cuba were obstacles to working jointly with foreign companies.

Party Leaders Inspect, Criticize Western Side of Capital

FL1512022994 Havana Radio Rebelde Network in Spanish 0000 GMT 15 Dec 94

[From the "Exclusive" program]

[FBIS Translated Text] Havana City's party leaders completed an inspection of the western side of the capital: specifically, La Lisa Municipality. Correspondent Pepe Suarez has more details:

[Suarez] A total of 17 measures and recommendations are the result of the two-day inspection in La Lisa by Havana City's provincial government. The inspection was directed by the Provincial Committee of the Communist Party of Cuba [PCC] and the administrative council. On this occasion, the seven people's councils of La Lisa received several inspections, including thousands of interviews with citizens in their homes, and visits to education and work centers. The inspection verified the positive political and moral state of the population in general. It verified notable advances in the agricultural and fish breeding industries as well as positive signs in the local production of milk and in flower growing. The committee criticized the sanitary conditions of some areas of the city, as well as the hygiene in some family doctor offices, and the stoppage in the construction material industry.

At the end of the visit, Politburo member Esteban Lazo, first secretary of the PCC in Havana City, stated that the most important thing now was to analyze the situation, correct mistakes, and advance towards an improvement in the population's living conditions. He highlighted that all this must be done by working together.

Rebelde Opens Branch Studio in Pinar del Rio

FL1812214394 Havana Radio Reloj Network in Spanish 2034 GMT 18 Dec 94

[FBIS Translated Text] Pinar del Rio Province has inaugurated a radio studio, which will vastly extend the broadcasting capabilities of reporters and correspondents to national radio stations.

The studio will be a branch relay station of Radio Rebelde and will also be able to connect with the provincial radio broadcasting station and facilities in the municipalities due to its technical capabilities.

The remodeling of the station, which is the second of this kind in Cuba, took four months at an approximate cost of 5,000 pesos, since most of the equipment and construction materials used were rebuilt.

Enrique Roman, president of the Cuban Institute of Radio and Television, praised the efforts of maintenance and construction workers during the studio's inaugural ceremony.

Cayman Islands

Court Rules in Favor of Former Peruvian President

FL1612181294 Bridgetown CANA in English 1611 GMT 16 Dec 94

[FBIS Transcribed Text] George Town, Grand Cayman, BWI, Dec 16, CANA - Former Peruvian president Alan Garcia Perez and other former high-ranking officials of that country won a Grand Cayman court decision Thursday [15 December] that prevented the government of this western Caribbean British territory from releasing financial records of a Cayman-registered company.

The decision by the Cayman Islands Court of Appeals overturned a lower court ruling that had allowed the government of the Caymans to release financial records on Worldwide Financial Holdings Ltd. to the current government of Peru investigating possible illegalities in a train contract in Peru awarded during Garcia's presidency.

Release of the financial records was sought by CITEL, the Spanish acronym for the "Democratic Constituent Congress Committee Investigating the Contracts for the

Electric Train and Mass Transport Projects in Lima and Callao." CITEL was investigating whether bribes had been paid in the awarding of the contracts.

No financial records on Worldwide were ever released because immediately after the lower court decision, lawyers for Worldwide and Garcia appealed the matter. Worldwide attorney Charles Guin argued that CITEL did not constitute a proper court or tribunal and that confidential information was "pre-trial discovery", in that no criminal proceedings have been instituted in Peru. Government should not assist with "pre-trial" discovery, lawyers for Garcia successfully argued. Guin also claimed that releasing confidential information "goes to the very heart of the Cayman Islands Confidentiality Law." The law prohibits the release of financial information on company activities to outside agencies.

The Cayman Confidential Relations Law has been in effect for more than 20 years and is considered one of the prime reasons Cayman is a leading offshore financial center and tax haven with more than 540 registered banks and financial institutions, Guin said.

CITEL attorney Shaun McCann had alleged that Garcia and others used Worldwide as a conduit for monies received as bribes in Peru over contracts for electric trains in that country. The amount of money involved in the alleged bribes was never mentioned in court, but prior media accounts have alleged that Italian businessman Sergio Siragusa of the construction compnay Tralima, paid Garcia more than US1 million to get the contract. Siragusa has told Peruvian investigators that Garcia told him to give him US200,000 in cash and deposit US840,000 in the Worldwide account at Barclays Bank in the Cayman Islands.

Garcia's name was not on the Worldwide account, but former Garcia associate Alfredo Zanatti, now living in the US, was. Zanatti's secretary said the account was the source of payments to Garcia.

Attorneys for CITEL did not indicate if they would appeal the decision. Under the British legal system, the decision may be appealed to the Privy Council in London as the "court of last resort".

Garcia is now reportedly living in Venezuela.

Haiti

U.S. To Sign Over Second Third of $15 Million Pledge

FL1912133094 Bridgetown CANA in English 2220 GMT 18 Dec 94

[From the "Broadcast News Summary"]

[FBIS Transcribed Text] [no dateline as received] Director of the United States Agency for International Development Brian Atwood is scheduled to sign today the second 15 million U.S. dollar installment for Haiti. A total of 45 million dollars has been pledged by Washington to shore up Haiti's government functions.

But with foreign economic aid only now beginning to flow and many major sources of employment still shuttered, officials say Haiti's economy will struggle for years to recover from decades of neglect.

The United States is to spend about 200 million dollars in Haiti in the fiscal year through September 1995. This is part of an estimated 550 million dollar international economic assistance package to help the country—the poorest in the Western hemisphere.

U.S. assistance reached about 74 million dollars in fiscal 1994.

U.S. Ambassador To Award Second Human Rights Prize

FL1912232794 Port-au-Prince Radio Metropole in French 1145 GMT 19 Dec 94

[FBIS Translated Text] U.S. Ambassador William Lacy Swing will today deliver the second annual human rights prize at his private residence. (Bryan Atrud), general administrator of USAID, and the Haitian justice minister will attend this ceremony. The first human rights prize was posthumously awarded last year to Justice Minister Franois Guy Malary. The pastor of St. Joseph Parish, Father Arthur Volel, well known for his commitment to the people's struggle in Cite Soleil and La Saline, was also honored during that ceremony.

Senate, Judicial Electoral Council Representatives Announced

FL1912223994 Port-au-Prince Radio Tropic FM in Creole 1300 GMT 19 Dec 94

[FBIS Translated Text] The formation of the electoral council, which will be responsible for organizing the elections, is not yet complete. The executive power has not revealed whom it has chosen to represent it within the electoral council. Although the deputies voted on 17 and 18 December for the two people who would represent them in the Provisional Electoral Council, we have not yet been advised of these representatives' identities. We have known since 15 December that the Senate of the Republic chose Mrs. Marie-Laurence Jocelyn Lassegue as a member of the electoral council. The Court of Cassation has chosen Attorney Andre Cherilus, Leon Manus, and Gerard Innocent to represent the judicial sector in the electoral council.

Chiapas Uprising, Official Reactions to Crisis Reported

EZLN: Zedillo's Proposal 'Insufficient'

PA1912173194 Paris AFP in Spanish 1625 GMT 19 Dec 94

[FBIS Translated Text] Mexico, 19 Dec (AFP)—According to news correspondents in Chiapas, Mexico, the insurgent Zapatist National Liberation Army [EZLN] today called Mexican President Ernesto Zedillo's peace proposal insufficient. Zedillo proposed to create a congressional commission to mediate in the conflict in the state of Chiapas.

At a predawn news conference in the rebel region of Guadalupe Tepeyac, located in the highlands of Chiapas, the EZLN dismissed the mediation ability of what it views as a "government entity." The EZLN then listed three conditions for reestablishing the cease-fire, which was rescinded at the beginning of December.

The three conditions are: the resignation of Chiapas Governor Eduardo Robledo; recognition of the National Mediation Commission (Conai) headed by Bishop Samuel Ruiz as the mediating agent between the government and the EZLN; and recognition of the "transition" government of Amado Avendano, the former opposition candidate for governor of Chiapas.

EZLN Claims Occupation of 38 Towns

PA1912175394 Hamburg DPA in Spanish 1647 GMT 19 Dec 94

[FBIS Translated Text] Comitan, Mexico, 19 Dec (DPA)—The Zapatist National Liberation Army [EZLN] today announced that its rebel forces had broken through Army lines and seized 38 municipalities in the southern Mexican state of Chiapas.

Subcommander Marcos, the guerrilla movement's military leader, made the announcement at a predawn news conference today in Guadalupe Tepeyac, near the Guatemalan border. The rebel leader also disclosed the contents of a letter addressed to Mexican President Ernesto Zedillo in which he rejected a proposal for resuming peace negotiations with the mediation of a congressional commission.

[In a related 190-word Mexico City-datelined dispatch, Madrid EFE in Spanish at 1656 GMT on 19 December reports: "Fifty armed men who claimed they were members of the Zapatist National Liberation Army, EZLN, today seized the mayor's office of the small town of Simojovel, Chiapas." The report, quoting Simojovel's local priest who was contacted by telephone, adds: "The armed men who arrived this morning in Simojovel have blocked access to the town." According to the priest, the armed men are wearing "uniforms in the fashion of EZLN members—green pants, coffee-colored shirts, and ski masks." While noting that the town remains calm, EFE adds: "Simojovel, located in northern Chiapas, lies outside the area that has been controlled by the EZLN up until now, which means that the guerrillas have broken through the cordon."]

Public Buildings in Simojovel Seized

PA1912195494 Mexico City NOTIMEX in Spanish 1906 GMT 19 Dec 94

[FBIS Translated Excerpt] Simojovel, 19 Dec (NOTIMEX)—Suspected members of the Zapatist National Liberation Army [EZLN]—the armed group operating in Mexico's southeastern state of Chiapas—today entered Simojovel, a town in the Lacandona Jungle, and seized the main public buildings. No clashes were reported.

Men wearing ski masks and wielding sticks, rifles, and pistols and who identified themselves as members of the EZLN carried out the seizures, according to witnesses.

Guillermo Antonio Gordillo, president of the Chamber of Commerce in Simojovel, said some 30 men seized the Municipal Palace and blocked the roads leading to the town, which is located some 1,200 km from the capital.

The incident took place hours after the spokesman of the EZLN, which has been operating in the region since last January, held a news conference in which the group rejected the creation of a peace commission proposed by the government to resume talks to establish peace in the region. The spokesman—identified as Subcommander Marcos, who also wears a ski mask—demanded the resignation of Chiapas Governor Eduardo Robledo Rincon and that the peace commission be replaced by a national mediation commission.

Samuel Ruiz, bishop of San Cristobal de las Casas, was recommended to head such a commission. Ruiz was the mediator at the beginning of the conflict, which started on 1 January when the EZLN seized by force several towns in the area and confronted the Federal Army.

Last week, the government proposed the creation of a peace commission comprising legislators from all of the political parties represented in Congress after the EZLN announced it would not comply with the cease-fire agreed upon on 12 January. [passage omitted]

Zapatists Abandon Simojovel

PA1912232194 Madrid EFE in Spanish 2130 GMT 19 Dec 94

[FBIS Translated Excerpt] Tuxtla Gutierrez (Mexico), 19 Dec (EFE)—The Zapatist guerrillas who occupied the municipality of Simojovel early this morning abandoned the building and left town, official sources reported today.

An official of the Simojovel City Hall told EFE via telephone the rebels evacuated the mayoral building minutes after 1200 (1800 GMT). "They claimed to be members of the Zapatist army," an employee said, adding that there was no clash during the occupation, because there is no military presence in Simojovel, which has a population of approximately 7,000.

Some 40 armed men who claimed to belong to the Zapatist National Liberation Army (EZLN) occupied the Simojovel City Hall early this morning as part of a guerrilla military campaign that has not yet resulted in a clash with the Army.

The EZLN today announced it occupied positions in 38 of the 110 municipalities of the state of Chiapas during the campaign, and many of the municipalities, such as Simojovel, are outside a cordon the Army has established around the guerrillas. The EZLN added that there has been no clash during any of these operations with the Army, because it has orders to observe a truce that has been in force since 12 January and to react only when attacked.

In Simojovel, the official source added, armed men tore down doors and destroyed files of the city hall and the court but did not attack anyone.

The guerrillas, who were armed with rifles, abandoned the place in the end on board two municipal vehicles and headed for a nearby municipality. [passage omitted]

In las Margaritas, located in the area under Zapatist influence, people displaced from the Zapatist area continue to block access to the building of the National Indian Institute, demanding compensatory wage payments of more than 34,000 new pesos for losses suffered by 15,000 refugees since September.

Peasant sources have said a state of siege is maintained in several points of the state as a result of the heavy military presence, and they added Zapatist troops are heading for urban areas.

Roadblocks erected with tree trunks displayed slogans such as "military, public security, and judicial personnel as well as white guards or any other member of the usurping government will not be allowed to enter." Most roadblocks are in Altos de Chiapas, in the towns of Larrainzar, San Juan Chamula, and Zinacantan, whose inhabitants are Indians. There have been no clashes yet.

Meanwhile, Mexican Army planes are overflying the area of Altos de Chiapas, where the protesters are located.

Eraclio Zepeda, secretary of the Chiapas government, has said these rebel acts must not be interpreted as "the beginning of a violent and military confrontation" but, rather, as an expression of the political and social demands of the Indian people.

Situation in Chiapas Updated

PA1912214994 Mexico City Radio ACIR Network in Spanish 1840 GMT 19 Dec 94

[Report by Javier Cruz de la Fuente from San Cristobal de las Casas, Chiapas—live]

[FBIS Translated Text] We cannot deny the situation here for the people is one of fear and uncertainty, if that is what you can call it. There are, as you surely remember, military patrols operating in San Cristobal de Las Casas and Tuxtla Gutierrez, as well as in other smaller municipalities in Chiapas. This operation is to secure the safety and peace among the community and the people of these towns in the conflict area.

Leaders of the Party of the Democratic Revolution [PRD] woke up to a chaotic situation this morning concerning the municipal buildings of Huitztipan and Ixtahuacan. During the early morning hours today, approximately 150 PRD militants, their faces covered with woolen ski masks in the EZLN style, occupied the mayor's office in Simon Jovel de Allende. There is a large number of people outside the municipality of Simon Jovel armed with rocks, sticks, and chains, and it was unofficially reported they also have firearms.

A bus belonging to the Cristobal Colon Bus Company traveling from Tuxtla Gutierrez to Pichucalco, Villahermosa, and Tabasco was looted at 0130. The bus was halted at the intersection of Escopetazo and Pichucalco. The attackers took all of the passengers' valuables, and some people were left standing in their underwear. The demonstrators kept the bus.

There are still two roadblocks along the Villahermosa-Tuxtla Gutierrez highway near Escopetazo and Pichucalco; one is located in Bochil, the other at the intersection of (Gicotol) and Simon Jovel de Allende Roads.

The State Attorney General's Office is cautioning people not to travel in that direction, because the PRD militants are quite aggressive. Approximately 150 PRD members are blocking the San Cristobal de Las Casas-Chenalho highway at the bridge over the San Pedro River. There is still another roadblock along the Rancho Nuevo highway, near Escopetazo. In (San Felipe Catepec), just outside the last urban section of San Cristobal Municipality, PRD militants have blocked the road with branches, tree trunks, and rocks. The PRD demonstrators there are said to be extremely aggressive. A local newspaper photographer was attacked with rocks and sticks about 40 minutes ago while attempting to photograph the scene.

PRD militants occupied the ranch at San Jose El Porvenir, located along the San Cristobal-Ocosingo highway, about 25 km from San Cristobal de Las Casas and near the airport. I was told they also blocked the San Cristobal-Ocosingo Palenque highway, which also leads to (Playas de Catasajab), Villahermosa, and Ciudad del Carmen Campeche.

Mayor Pedro Villafuerte Alvarez told us just moments ago via telephone there are aggressive PRD militants blocking the road about 20 km from San Cristobal de Las Casas, along the San Cristobal- Comitan de Domiguez-Tapachula highway. These roadblocks have the higher elevations of Chiapas, specifically the conflict area, which is totally isolated.

There is an atmosphere of uncertainty in San Cristobal. Businesses are closed although there are a few stores open. There are few people on the streets, and everyone is wondering what will happen now in light of the latest events here in Chiapas. The EZLN has called a few members of the press to a conference from which they have not yet returned.

Jorge Mario Lescieur Talavera, mayor of San Cristobal, is to give the third report of his municipal administration this afternoon at the Hermanos Dominguez City Theater here in San Cristobal. Simultaneously, Amado Avendano Figueroa is calling for a demonstration to begin at 1800. The demonstration will leave the City Theater and end in the center of San Cristobal. There are expected to be about 4,000 or 5,000 PRD members. This is an attempt to prevent Mayor Lescieur Talavera from presenting his address. The municipal head said just moments ago there is calm; that statement is true. There is calm, but it is better not to leave the city by car or bus due to the roadblocks. It is also recommended that people stay off the streets although we do not expect anything, but something unexpected could always happen.

The mayor of San Cristobal will address the people over the local radio station at 1430.

Army Said Holding Positions

PA2012052794 Mexico City XEW Television Network in Spanish 0430 GMT 20 Dec 94

[From the "24 Hours" newscast]

[FBIS Translated Text] The Defense Secretariat has reported that military personnel assigned to Chiapas state are holding the same positions they held on 12 January and that its activities respond to presidential instructions to maintain a unilateral cease-fire. Civilian authorities continue to conduct their activities in all municipalities of the state and the people are exercising their rights to move freely and assemble. The atmosphere has been altered by the remarks of the self-styled Subcommander Marcos and the obstruction of the Soyalo-Bochil road and the highway connecting Ocosingo with Palenque, Chancala, and Boca Lacatun. In Simojovel and Yajalon, several individuals destroyed municipal installations and looted several stores to the residents' indignation. Fully aware of their high responsibility, the Mexican Army and Air Force will contribute to the peaceful solution of the conflict. This is the end of the Defense Secretariat's bulletin.

Government Secretariat Updates Situation

PA2012054094 Mexico City XEW Television Network in Spanish 0430 GMT 20 Dec 94

[From the "24 Hours" newscast]

[FBIS Translated Text] About an hour ago, Mr. Alfonso Durazo, information director of the Government Secretariat, spoke on behalf of Secretary Esteban Moctezuma: [Begin Durazo recording] Regarding the situation in the State of Chiapas, the Government Secretariat reports the following:

On the morning of 19 December, followers of various peasant organizations erected roadblocks along federal highways 190, 195, and 199, and along two state highways, obstructing the circulation of vehicles and people.

About 665 people participated in such actions, and some of them covered their faces with bandannas. Eight of the 17 roadblocks erected on the morning of 19 December have already been removed. Nine are still in place along state highways. Federal highways were cleared voluntarily and peacefully. The EZLN has not claimed responsibility for any of these actions.

It is important to point out that we have registered no EZLN mobilizations although it announced the beginning of the advance of its forces.

At only one municipality—namely, Simojovel—criminal actions took place at the county seat as some files pertaining to certain public offices were destroyed and three stores were looted. A group made up of 25 to 30 unidentified individuals, who left town by noon, perpetrated these illegal actions. Simojovel has remained calm since then. No violent acts have taken place in any of the other cases, nor has the Mexican Army intervened. Most of those who participated in the blockades staged on 19 December peacefully withdrew to their communities. The public security forces always remained alert.

Meanwhile, the Armed Forces are keeping their positions and carrying out their routine activities in the region. In the rest of the 109 Chiapas municipalities, there were no incidents of this sort. The day went by as any other day does: the stores and banks opened and social activities went on as usual.

In light of these events, state authorities have confirmed their willingness to find rational paths leading to a solution, which will prevent all types of violence. Authorities have called on people to stop taking attitudes that violate laws and the state of law. The Government Secretariat, as the institution responsible for managing internal affairs, is aware of the development of events and has stressed that the solutions to claims and demands made by peasant groups will be found only through talks, tolerance, and mutual respect. The situation in Chiapas remains calm, and the community activities are going on as usual. The development of the events is a sign that the Chiapas people wish to live in peace and within the framework of the law.

The federal government emphasized its willingness to contribute to creating a climate without tension so that events altering the peaceful coexistence of the Chiapas people will not reoccur. Holding talks is the irreplaceable path to strengthen legality and the democratic life. Under this conviction, the federal government will continue to promote the necessary institutional actions that attempt to reach a worthy, fair, and lasting peace in the state. Thank you very much. [end recording]

Marcos on 'Indian Uprising'

PA1912225394 Mexico City Canal 13 Television Azteca Network in Spanish 2000 GMT 19 Dec 94

[From the "Meridian" newscast]

[FBIS Translated Text] The Zapatist National Liberation Army [EZLN] reported after midnight last night it succeeded in breaking through the military encirclement in Chiapas and occupying 38 municipalities.

EZLN troops reportedly broke the military ring in the Lacandona jungle from 11-14 December, slipped through Mexican Army positions to avert an armed confrontation, and occupied Ocosingo, Las Margaritas, Altamirano, La Independencia, Trinitaria, Chamal, Oxchuc, Comitan de Dominguez, and San Cristobal de las Casas among other municipalities.

According to an EZLN communique, a rebel state of siege has been declared, and new authorities have been appointed in the region. Also after midnight, self-appointed Subcommander Marcos publicized a letter addressed to President Ernesto Zedillo asking for serious and in-depth measures to demonstrate the government's willingness to talk.

The communique reads: It is my duty to report to you that you have an Indian uprising in the country's southeast. Do not waste your intelligence by forming pluralist peace commissions whose members end up being imposed as government officials and bring about what they were supposed to prevent—war. Nor should you waste your money on the media to divide or discourage. The people in Chiapas are illiterate and have no television.

Marcos says he himself does not exist, and he continues: I suppose it is no use to advise you not to believe the story that the conflict is limited to four municipalities and that the peace agreements have been fulfilled throughout the conflict areas in Chiapas State. They have deceived you, Mr. Zedillo; they always have.

Meanwhile, Chiapas Governor Eduardo Robledo Rincon reports the following on the situation in the state: Peasants of various organizations have been erecting roadblocks with logs and rocks since the early morning and demonstrating on three federal and two state highways, as was shown on the television. No traffic was permitted. Most of the demonstrators cover their faces with bandannas.

EZLN Sets Conditions for Negotiations

PA2012133994 Mexico City XEW Television Network in Spanish 0430 GMT 20 Dec 94

[From the "24 Hours" newscast]

[FBIS Translated Text] Early this morning, the Zapatist Army of National Liberation set three conditions for sitting down at the negotiating table.

The first is the resignation of Chiapas Governor Mr. Eduardo Robledo. The second is that the government reconize the mediation committee presided over by Bishop Samuel Ruiz. The third is that Amado Avendano, the defeated PRD [Party of the Democratic Revolution] candidate for governor, be recognized as governor of Chiapas.

Marcos Pledges No Imminent Attack on Army

PA2012141794 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 20 Dec 94

[From the "Early Morning" newscast]

[FBIS Translated Excerpt] Subcommander Marcos has sent a communique from the Chiapas jungle indicating that he has broken the siege by the Mexican Federal Army by infiltrating people who enjoy his utmost trust among the soldiers for four days without causing any violent actions. He explained that 38 municipalities in the state have declared themselves in rebellion by appointing new authorities and new municipalities.

At the same time, Subcommander Marcos sent a letter to President Ernesto Zedillo Ponce de Leon informing him of the Indian rebellion. He suggests that serious and meaningful measures be taken on the Chiapas conflict.

[Begin Marcos recording, in progress] ...satisfactory solution of the post-electoral conflicts for the parties in the states of Veracruz, Chiapas, and Tabasco. Second: Recognition of the government of democratic transition in Chiapas. Third: Recognition by the federal government of the National Mediation Commission as a neutral body capable of achieving a political solution to the conflict.

The EZLN recognizes the effort for peace with justice and dignity that motivates Engineer Cuauhtemoc Cardenas Solorzano and the National Democratic Convention. In response to this effort, the EZLN General Command has issued timely orders to its troops to avoid, as much as possible, contact with Mexican Federal Army troops. The EZLN publicly commits itself not to attack, for now, the Army's current positions.

Democracy and... [passage omitted due to technical fault] [end recording]

Chiapas Governor Discusses Situation

PA2012020794 Mexico City Radio ACIR Network in Spanish 0000 GMT 20 Dec 94

[From the "Evening News Panorama" newscast]

[FBIS Translated Text] In his first report on the situation in Chiapas State, Governor Eduardo Robledo Rincon today said that there have been no violent incidents and that the situation is calm. He did report, however, 165 peasants have been blocking three federal and two state highways since early today.

According to the Government Secretariat's office, Governor Robledo Rincon said the situation confirms what Subcommander Marcos had stated; that is, the Zapatist National Liberation Army will not fire the first shot.

Robledo also reported that 80 people stationed themselves in the central park and the corners of the Simojovel City Hall since early today but that the municipal mayor's office has not been occupied yet. In addition, 85 additional PRD members have blocked access to the municipal head town located along the state highway, and 20 of the 165 people are carrying shotguns and rifles. The governor reported the highways have been blocked with logs and rocks. No traffic is allowed by the blockers, most of whom cover their faces with bandanas.

Robledo: Situation 'Back to Normal'

PA2012055394 Mexico City XEW Television Network in Spanish 0430 GMT 20 Dec 94

[Telephone interview with Chiapas Governor Eduardo Robledo Rincon, in Tuxtla Gutierrez, Chiapas, by Jacobo Zabludovsky, in Mexico City; from the "24 Hours" newscast—live]

[FBIS Translated Text] [Zabludovsky] Mr. Governor, good evening.

[Robledo] Good evening, Mr. Zabludovsky.

[Zabludovsky] I am at your service, Mr. Governor.

[Robledo] I have called to confirm some information made known today and that has just been reported in your program.

It is now 2230 hours, and I can tell you that transit through the various state roads and, especially, through the three federal highways, is back to normal, with the exception of some points on some state roads. However, life in the rest of the remaining 109 municipalities of the state is normal.

Today we held in Tuxtla Gutierrez a meeting with the 110 municipal presidents of the state to install the Commission for Wellbeing and Sustainable Development [Comision Para el Bienestar y el Desarrollo Sostenible] in Chiapas as a first central government step to face, together with the people and the Government of Chiapas, the challenge of poverty.

The roadblocks produced no incident. We insist that with the backing of the majority of the people of Chiapas, we restate our willingness to resolve conflicts politically and we urge the population to remain calm and to act prudently.

[Zabludovsky] When will this commission for development start working and when will the poor people of Chiapas notice improvement? Immediately?

[Robledo] The commission began working today. Representatives of various state secretariats were here today, and a dialogue with various sectors of the people of Chiapas was initiated.

Today, here at the Government Palace in Tuxtla Gutierrez, there were meetings with the various sectors, social organizations, and indian organizations to begin working on the agenda that must be fulfilled in this new relationship with the federation.

[Zabludovsky] Do you want to add anything, Mr. Governor?

[Robledo] Only that in the midst of our difficulties, we the people of Chiapas are working hard to find a political way out of this current situation in Chiapas.

We think it is possible to turn this moment in the history of our state into a great social victory. This is our challenge and we will apply all our will and determination toward it.

[Zabludovsky] Thank you for your call, Mr. Governor.

[Robledo] It is me who thanks you.

[Zabludovsky] Good night.

Senators, Deputies Remark

PA2012045694 Mexico City Radio ACIR Network in Spanish 0000 GMT 20 Dec 94

[Report by Juan Carlos Escobedo and Juan Carlos Santoyo; from the "Evening News Panorama" newscast]

[FBIS Translated Text] The Senate became a sounding board again today for the situation in Chiapas. Appeals for caution and a concerted effort for peace were heard from the PRI [Institutional Revolutionary Party] and the PRD while PAN [National Action Party] remained silent. PRI and PRD senators disagreed with one another on how to reach a peaceful solution in Chiapas.

PRD Senator Felix Salgado Macedonio proposed a direct dialogue between Ernesto Zedillo, the Mexican Army commander in chief, and the EZLN commander to make direct commitments and shorten the time required to attain peace in Chiapas:

[Begin Salgado recording] The plural legislative commission's first task should be to invite the executive to enter a direct dialogue with EZLN delegates to outline an agenda and seek a solution to the state's problems. [end recording]

The PRI faction sidestepped several times the subject the PRD proposed again and again. The PRI insisted the plural legislative commission proposed by Zedillo is the proper instrument to initiate the contacts between the belligerent forces and seek mediation. PRI Senator Salvador Rocha said the Constitution has set limitations on what the federal executive can do. Rocha said a meeting with Subcommander Marcos would violate the internal sovereignty the executive must preserve:

[Begin Rocha recording] Marcos must understand Zedillo has limitations. The first is internal sovereignty, which Zedillo could not and should not sacrifice. To do otherwise would be equivalent to allowing the homeland to take a course that could lead to its own destruction. [end recording]

The PRI senator said Subcommander Marcos can be received by the president of the republic without his mask and once he has laid down his arms, just as any other Mexican.

PAN Senator Luis H. Alvarez commented on the need for the executive to talk with the EZLN directly. Alvarez said every effort to attain peace is worthwhile, adding PAN acts in good faith on agreeing to participate in the commission for which it was appointed although it is a difficult task. Alvarez said the commission should start operating as soon as possible. On this point, Fernando Ortiz Arana said the commission should have more room for its work. The commission, he says, has not been disqualified and should continue its efforts.

The debate at the Senate concluded with no consensus. This was the same session during which the proposal for reforms and additions to the social security law were approved and in which the minutes of a session reforming the Organic Law of the Federal Public Administration was received.

We then moved to the PRD national headquarters, located on 50th Monterrey Street. PRD president Porfirio Munoz Ledo arrived a few minutes ago. He will preside over a meeting of the PRD's National Executive Committee. The names of the legislators to be appointed for the multiparty commission proposed by Zedillo will be announced in a few more minutes barring any last-minute changes.

In addition, while the PRI, the PT [Labor Party], and the PRD deputies invited Subcommander Marcos to open himself to dialogue and to negotiation to attain peace in Chiapas, PAN kept silent as to not aggravate the climate any further. PRI Chiapas Deputy Tito Robin Cruz said if Subcommander Marcos wants peace for the good of the Chiapas people, he should sit down and talk and not rule out the efforts made so far, because to do so would be unreasonable:

[Begin Robin Cruz recording] If Marcos wants peace for the Chiapas people, he must sit down to talk. He should not dismiss Zedillo's proposal to form a multiparty commission, which is a healthy measure. We heard through the media this morning that the PRD had already agreed to participate in these efforts. We invite Marcos via the media to ponder this proposal, to probe his conscience, and to sit down to talk, because this is the will of the Chiapas people. [end recording]

In addition, PRD Deputy Martin Logoria, also from Chiapas, said the commission should be installed so this dialogue can be held with no limitations or obstructions, particularly, so the dialogue can be held as soon as possible:

[Begin Logoria recording] We are determined to play an assisting role between the sides. The sides are not trusting us as their representatives but, rather, as members of institutions of public interest and opinion, which must take a consistent position regarding the country's big problems. I believe we should not at all take the opportunity to do party politics.

As members of the international community, we play a role of public opinion and interest for the community. The EZLN evidently is not delegating any functions that an organization different from the contending ones, that is, the Army and the government, can perform. We are expected to play a moderate, neutral role, as help for dialogue and negotiation. [end recording]

PT Deputy Marcos Cruz Martinez, a member of the commission called for by Zedillo, said the dialogue should be held after Eduardo Robledo Rincon steps down from office as governor, a Chiapas native is appointed temporarily, and new elections are called for.

[Begin recording] [Unidentified reporter] Is Marcos' refusal to talk with the deputies an indication the legislative is under the executive's authority?

[Cruz Martinez] Unfortunately, yes. For many years, the legislative has been subordinate to the executive. There is a well- grounded mistrust and even fear. I believe, however, refusing to accept the commission's mediation is a political mistake. [end recording]

In addition, the PAN deputy and coordinator, Cecilia Romero, said that they would make no statement and that this would be in favor of peace in Chiapas. After all, she said, we do not want to endanger the precarious present peace:

[Begin Romero recording] PAN, as cooperation in the search for peace in Chiapas and taking into consideration the importance and seriousness of the matter, has decided to refrain from making any statements regarding this situation. [end recording]

In a few minutes or a couple of hours, the PRD will finally announce the names of the individuals who will form the commission convened by Zedillo. The PRD stated that as soon as this is done, the formation of the commission could be completed so the work for peace in Chiapas can start as soon as possible.

PRD To Join Chiapas Mediation Commission

PA2012042894 Mexico City LA JORNADA in Spanish 19 Dec 94 p 5

[Report by Mirella Cuellar]

[FBIS Translated Text] Early this morning, following two days of intense negotiations between the Government Secretariat and the Party of the Democratic Revolution [PRD], the latter agreed to form part of the Commission for Dialogue and Mediation for Peace in Chiapas, a commission proposed by the federal executive branch.

The latest phase of the negotiations between PRD militants and the government began yesterday at 2130 hours. The negotiations concluded early this morning when a good deal of the proposals made by the PRD in recent days were accepted. Practically, all the conditions set by that party to join the negotiations commission were accepted.

This commission will receive a mandate from congress, which will establish its authority and the way the commission will function.

The PRD participants in the negotiations were Porfirio Munoz Ledo, the party's national leader; Jesus Ortega, PRD coordinator at the Chamber of Deputies; Hector Sanchez, PRD coordinator at the Senate; and Javier Gonzalez, secretary of electoral affairs of the PRD National Executive Committee.

The following is a text of the agreement, delivered early this morning by the Government Secretariat.

"In the talks between the Government Secretariat and PRD representatives, these representatives reiterated their willingness to make every effort in favor of a just and honorable peace in Chiapas.

"Therefore, they stated their decision to form part of the Commission for Dialogue and Mediation for Peace, proposed by the federal executive branch.

"This commission is to receive an explicit mandate from congress specifying the commission's authority and determining how it must function. The commission will immediately make contacts aimed at fulfilling its task; will consult with all the parties involved; will receive the opinions of organizations and personalities capable of contributing to the reestablishment of peace; and will start functioning as soon as it receives the approval of the parties in conflict.

"The commission's efforts must lead to the establishment of negotiations in which all the issues related to the conflict could be presented and resolved.

"These negotiations will seek an integral, just, and lasting solution to existing problems, which implies the creation of a new constitutional order in Chiapas, the reconstruction of the state's democratic governability, social reforms, and economic development projects proportionate to the extent of the needs, demands, and heartfelt aspirations of the people of Chiapas. For this purpose, once the dialogue is reestablished, the commission will study the position of the federal executive branch and that of the Zapatista National Liberation Army to help in the negotiations process' search for specific political, budget, and legal reforms that may be deemed necessary for the solution of the problems."

The issues of Tabasco and Veracruz, where the Institutional Revolutionary Party and the PRD are engaged in a postelectoral conflict, were also discussed at the negotiations table.

PRD Head: EZLN View of Mediation 'Convoluted'

PA2012142494 Mexico City XEW Television Network in Spanish 0430 GMT 20 Dec 94

[From the "24 Hours" newscast]

[FBIS Translated Text] Mr. Porfirio Munoz Ledo, president of the Party of the Democratic Revolution [PRD], said tonight that his party has thus far not ruled out joining the commission that will go to Chiapas, but it has not named its delegates yet since said commission would begin its work the moment the two sides agree to mediation.

[Begin Munoz recording] As we have said, we think that the commission cannot be formally set up until we have the consent of both sides. [end recording]

Commenting on Subcommander Marcos' position that the commission is insufficient, he said:

[Begin Munoz recording] We then have to see what he means by insufficient, see what is lacking. I must say that in his document he calls the commission a government commission and says some things with which we cannot agree. He takes it for granted that either the opposition parties are not so... [pauses] rather, they are so opposed to the government that there is no chance for a dialogue (?with the government). Isn't this a little convoluted? [end recording]

He added that as a result of the negotiations it was agreed that a commission would be created that did not belong to the government but that it would be a congressional commission with a congressional mandate. He also said that on Tuesday the PRD bloc is likely to decide who will represent the party on that commission.

CNC President on Mediation Committee

PA2012021494 Mexico City Radio ACIR Network in Spanish 0000 GMT 20 Dec 94

[Report by Francisco Ramirez Cardenas; from the "Evening News Panorama" newscast]

[FBIS Translated Text] CNC [National Peasant Federation] President Hugo Andres Araujo de la Torre today said the mediation committee suggested by President Ernesto Zedillo could realize its work and gain its objective. The national leader of the national peasant organization said almost one year after the initiation of the conflict in Chiapas there is hope the issue can be resolved peacefully as demanded by the Mexican people:

The PRI [Institutional Revolutionary Party] senator said the institutional mediating commission of the Chiapas conflict will have to establish an operating strategy, because there are no magic formulas. Araujo de la Torre said that democracy is not shaped or that solutions for underdevelopment are reached in a climate of war, for which reason the commission must make specific efforts to unite peasant and social organizations, among other organizations.

Commission Communique Calls for Peace

PA2012140194 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 20 Dec 94

[From the "Early Morning" newscast]

[FBIS Translated Text] In the face of the information that the Zapatist Army of National Liberation [EZLN] has broken the siege imposed by the Mexican Federal Army and that 38 municipalities in the state of Chiapas had rebelled to join the EZLN, the National Mediation Commission [Conai] headed by Bishop Samuel Ruiz issued a communique to the people of Mexico on Monday.

The document calls on people in general to take several actions to ensure that the cease-fire is not broken. Conai itself respectfully asks President Zedillo to maintain the cease-fire order issued to the Mexican Army. It also calls on the EZLN to opt decidedly for peace and establish a dialogue with the federal authorities.

Foreign Relations Commission Head on Proposition 187

PA2012040294 Mexico City NOTIMEX in Spanish 1555 GMT 19 Dec 94

[FBIS Translated Text] Mexico City, 19 Dec (NOTIMEX)—Fernando Solana, president of the Senate Foreign Relations Commission, has called on the government, citizens, and those Mexicans living in California to be on alert and not to lower their guard in view of Proposition 187.

He has said there is a growing racist and xenophobic spirit against the Latin American groups in the United States, recalling that "we must not forget the Californian people have supported Governor Pete Wilson's Proposition 187."

He has said the fact that a California judge has declared Proposition 187 unconstitutional is good, because it postpones its implementation, but there still is the possibility of implementing it in the midterm, adversely affecting the Mexican workers' human rights.

He has said Mexican President Ernesto Zedillo and U.S. President William Clinton have maintained a positive position, rejecting the proposition, which still represents a risk for the human rights of our fellow nationals.

He added there is a major risk of other U.S. states adopting similar laws. That reason is why Mexican people, the government, and the migrant workers must remain alert in light of this racist upsurge.

Zedillo Vows To Improve Agrarian Sector

PA1612163594 Mexico City LA JORNADA in Spanish 14 Dec 94 p 23

[Report by Matilde Perez]

[FBIS Translated Text] President Ernesto Zedillo committed himself before the Permanent Agrarian Congress to continue improving programs such as Procampo [Program of Direct Support to the Countryside] and the Agriculture Support and Marketing Services, and to ensure financing for the agricultural sector.

During a meeting yesterday with the leaders of 11 member organizations of the CAP [Permanent Agrarian Congress], Zedillo Ponce de Leon—according to several participants—stated that the government had decided to eliminate agrarian lags and encourage new forms of productive organizations, as well as to work on a social development policy for the sector.

The president added that one of the sector's main problems lies in its high population rate, since more than 22 percent of the economically active population is gathered here, when it "should" be less than 10 percent. Because of this, Zedillo pointed out, one of his government's objectives will be to create work options for the rural population and create more employment in the agriculture sector.

He insisted on the need to advance more rapidly in order to attend to the needs of the less privileged groups in the rural sector, but without neglecting other groups. In this respect, he invited the CAP to contribute with recommendations leading to a National Development Plan.

During the meeting—considered as the start of relations between the CAP and the new federal administration—Zedillo acknowledged this agrarian organization as a "valid and legitimate player."

The Mexican president also said that he would be instructing the secretaries of finance, social development, and fisheries to carry out regular contacts with the CAP.

The president's proposals came after CAP coordinator Alfonso Garzon Santibanez presented a proposal *For an Integrated Rural Development with Justice and Liberty*—approved this past October during the organization's national council—and after reading a brief document, in which the 11 leaders posed five questions and requested "the government's position."

The CAP leaders insistently questioned Zedillo about what his agrarian policy will be like, his agriculture and livestock policy, financing and investments, justice and social development in the rural sector, and how he expects to make the best use of natural resources.

The meeting was brief, lasting approximately 30 minutes. Also attending the meeting were Arturo Warman, secretary of Agriculture and Hydraulic Resources, and Agrarian Reform Secretary Miguel Limon. The CAP leaders expressed their interest in eliminating lags in the agriculture sector, in order to benefit the peasants and to create rural organizations, as well as their interest in preserving and regulating ejido and common property.

Some of the topics discussed were the problem of the expired loan portfolio, the new credits to the agricultural sector, the lack of funds, how investment for small producers will be promoted, and how Procampo and the marketing policies will be applied.

"Everyone knows mostly poor people live in the countryside. We must take firm steps to solve the problems of food, housing, health, and education, as conditions for the productive development of the countryside and the generation of jobs," CAP members asserted. They also voiced their concern over the destruction of natural resources and the need to continue to exploit these "as sources for our productive work."

The CAP acting coordinator asked Ernesto Zedillo to stay permanently in touch with and establish a close relationship with the members of the presidential cabinet to resolve the problems of the agriculture sector.

Luis Meneses Murillo, coordinator of the National Union of Autonomous Regional Peasant Organizations, explained that the meeting was positive because the foundations were laid for a new relationship with the government. He added that new mechanisms were proposed to discuss the policies of the sector so that they will not only be "propositions, but solutions that benefit both the poorest peasants and those who produce to export."

Full Senate Approves Judicial Reform Measure

PA1912164994 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 19 Dec 94

[Report by Raul Torres; from the "Early Morning" newscast—passages within quotation marks recorded]

[FBIS Translated Text] Mexico's judicial branch will be reformed. The Senate of the Republic has approved President Ernesto Zedillo's initiative—the first one of his administration—which is designed to give judges and judicial authorities greater credibility and make the judicial process more equitable.

During the debate on the report on the initiative, PAN [National Action Party] and PRI [Institutional Revolutionary Party] members expressed their support for the reform proposed by Zedillo and pointed out that it constitutes an answer to the people's demands.

[PAN Senator Natividad Jimenez] "This initiative constitutes an answer to the citizens' demands and an improvement in the effectiveness of the institutions responsible for exercising justice and strengthening the state of law."

Two positions were observed among the senators. The PRD [Party of the Democratic Revolution] said the reforms of the judicial branch will increase its dependence on the executive branch, while the PRI and PAN said the reforms will strengthen the judicial branch's autonomy.

[PRI Senator Victor Tinoco] "This initiative is the result of a broad social demand to transform the structure and organization of the judicial branch. It also shows the need to lay the foundations of a genuine state of law."

PRD members, however, did not approve of the reforms.

[PRD Senator Heberto Castillo] "I do not believe such a major proposal [words indistinct] injustice in Mexico, which is a majority of the population, should not be discussed [words indistinct]."

Changes and the inclusion of 24 additional constitutional articles were approved with 108 yeas, while the PRD senators left the [words indistinct] building.

[PRD Senator Guillermo Del Rio] "The imposition of this initiative categorically shows the executive branch's stubbornness, and in this way, it opens relations with Congress, destroying the constitutional balance of powers and the legislative process."

The creation of the Federal Judiciary Council, which will be responsible for administrative matters in the Supreme Court of Justice, was among the most controversial topics.

[PRI Senator Jose Trinidad Lanz] "This initiative is in no way a violation of the jurisdictional function. It constitutes a relief for the current situation faced by the Supreme Court of Justice."

The Senate has taken the first steps toward a balance between the judicial branch and the other branches and to achieve—as expected—a better administration, but mainly, a better application of justice in the country.

Senate Subpanel Drafts Changes to Judicial Reform Bill

PA1812133294 Mexico City LA JORNADA in Spanish 16 Dec 94 p 13

[Report by David Aponte]

[FBIS Translated Text] The judicial branch will designate the majority of the members of the Federal Judiciary Council to avert suspicions of alleged "meddling" by the executive and legislative branches in judicial branch affairs. The Senate, however, has to confirm all of the ministers and magistrates through a "drawing" process, according to points contained within the upper chamber's draft report on judicial branch reforms.

In practice, the legislative branch will have the "right to veto" the appointment of ministers to guarantee that the candidates are known for their ability, honesty, integrity, and experience in law, legislative sources explained.

The creation of a "new mechanism" to appoint the ministers of the Supreme Court of Justice—one in which all three state branches will participate—stands out among the changes, most of which were made by the PRI [Institutional Revolutionary Party] in the subcommittee that drafted the Senate report on the executive branch's proposal for a constitutional amendment on judicial branch reform. The executive branch will nominate, the legislature will confirm, and the judicial branch will serve as overseer, they explained.

They added that candidates to the Supreme Court will have step down from their various posts one year before being appointed, instead of stepping down six months before their appointments, as the original bill submitted by President Ernesto Zedillo stated.

Legislative sources said the draft ruling also changes the composition of the Federal Judiciary Council. In the presidential initiative, the executive and legislative branches would have nominated four of the seven members of the council. Following 11 days of work, however, the members of the subcommittee that drafted the report changed the text of the president's initiative and allowed the judicial branch to designate the majority of the candidates. In this respect, the number of council members could rise to nine, with the executive and legislative branches being allowed to appoint four of them.

The legislative branch, meanwhile, would put a "lock" on the appointment of ministers and magistrates. In principle, the legislators would be entitled to review the integrity, ability, and performance of the candidates. Afterward, the drawing process would begin. Initially, candidates would have to undergo a preselection process and would be appointed later through the luck of the draw [as published], the sources indicated.

The document, which will now be submitted for approval by the Government and Constitutional Affairs Committee and Justice and Legislative Affairs Committee before its first reading before the full Senate, includes changes to the presidential bill on the issue of creating a National Public Security System.

The sources said the draft report "protects" the various powers of the three branches of government and takes into consideration the professionalization and organization of the police corps and the development of public security institutions.

As for the requirements for attorney general, the document says it is not necessary to lower the age of candidates from 35 to 30. At the same time, it did not deem it necessary for the Senate to have jurisdiction over the dismissal of the attorney general, because ours is not a parliamentary system, the sources stated. For this reason, the executive's initiative would remain unchanged, except for the age requirement, they added.

Most of the changes to the bill—there were about 30 to 35 of them, according to PRI Senator Amador Rodriguez Lozano—were introduced by PRI senators who had some differences regarding the parliamentary periods [tiempos parlamentarios], the sources confided.

The PAN [National Action Party] submitted proposals, including letting the judicial branch have the majority of seats when appointing members to the Federal Judiciary Council, they added. According to PRI members, the PRD "submitted a political reform bill," instead of a judicial reform measure.

The report on the constitutional amendments on the judicial branch and public security is scheduled to be submitted for its first reading at Friday's plenary session. On Saturday, it will be given its second reading, debated, and approved. The Senate will then forward the bill to the Chamber of Deputies.

Minister on PRD Blockade of Several Pemex Installations

PA1712225794 Mexico City Radio ACIR Network in Spanish 0000 GMT 16 Dec 94

[From the "Evening News Panorama" newscast]

[FBIS Translated Text] A total of 33 members of the PRD [Party of the Democratic Revolution], who had blocked various Pemex [Mexican Petroleum] installations, have been handed over to three district courts for the crimes of sabotage and illegal detention of the Pemex workers. The initial investigation has been assigned number 467/994. It is expected that legal action will be taken today against other protesters from the PRD who seek the annulment of local elections recently held here in Tabasco.

Around noon, Ignacio Pichardo Pagaza, secretary of energy, mines, and parastate industry, commented on these blockades. He said that these people, whether from the PRD or any other party, were blocking installations of the federal government; therefore, action had to be taken. Maybe many people did not like that they were evicted or that some violent action was taken. He said that in any case there was no choice in the matter; these people had to be removed because national fuel distribution was being affected seriously by these people who took Pemex installations several days ago.

The demonstrators were placing themselves at risk, as there are toxic fumes in the installations. Pemex warned the members of the PRD against blockading the installations. The business sector and several sectors of the population in Tabasco have praised the actions by the state and federal police.

Andres Lopez Obrador said he was responsible for coordinating the blockades of the installations. He told the authorities that they knew where he lived and that there was no need to arrest the PRD peasants. He said he was responsible for this. Lopez Obrador was the PRD's candidate for governor of Tabasco.

Meanwhile, Ignacio Pichardo Pagaza pointed out that all who were in the vicinity of the Pemex installations were running a high risk, because it is very dangerous to be too close to a refinery. There are many toxic fumes, and one never knows when an accident might occur. Pichardo said they were trespassing on federal land and that the distribution of various Pemex products, processed in these plants for the entire country, was being adversely affected. He said this constitutes a federal crime and that action had to be taken. He said that just because they were members of the PRD did not mean police action could not be taken against them. He said they were obstructing the installations and were endangering their lives, the lives of the workers, and the lives of people living nearby.

Investigations Continue Into Slayings of PRI Members

PA1812160694 Mexico City Radio ACIR Network in Spanish 0000 GMT 17 Dec 94

[Statements to the media by Attorney General Antonio Lozano Gracia and Pablo Chapa de Zanilla, special prosecutor in charge of investigating the murders of Luis Donaldo Colosio and Jose Francisco Ruiz Massieu; place not given; from the "Evening News Panorama" newscast; broadcast in progress—live]

[FBIS Translated Text] [Lozano] ...the principle perpetrator is Mario Aburto Martinez, who has been sentenced to 42 years in prison, however, he noted it is necessary to continue the ongoing investigation. The group of distinguished advisers, who came together to advance and follow up on the investigations concerning the attack on Luis Donaldo Colosio Murrieta, have drawn the following conclusions:

1. Aburto's responsibility in the clearly proven homicide of Luis Donaldo Colosio Murrieta has been fully established.

2. The points of investigation marked by the numbers 2, 4 to 9, 11 to 14, 16, 18 to 23, 25, 28, and 29 have been covered without providing new results. It is necessary to continue and conclude the points of investigation identified by the numbers 1, 3, 10, 15, 17, 24, 26, 27, 30, and 31.

3. Several members in Luis Donaldo Colosio's strategy and security team had questionable records, including criminal ones, and were ill-trained for security work.

4. Up until now, there have been no grounds to support criminal proceedings against other people. However, we recommend that the ongoing investigation continue until all points of investigation have been covered and that any hypothesis arising during the investigation be explored.

5. Special Deputy Attorney General Olga Isla de Gonzalez Mariscal and officials in the Deputy Attorney General's Office under her supervision carefully and efficiently considered all recommendations made by the group of advisers. They provided all requested information and conducted their work professionally and legally.

6. The report is a whole and must be reviewed as such. The isolated study of any one of its parts could lead to conclusions that are not faithful to the intentions of those who signed it.

Regarding the homicide of Jose Francisco Ruiz Massieu, we have to point out that we have advanced criminal proceedings against 15 people and that the arrest warrant against former Deputy Manuel Munoz still has not been served. The preliminary investigation is still open and the pending investigations will continue until we arrest all of the alleged culprits.

Regarding the tragic events at the airport in Guadalajara, Jalisco, on 25 May 1993, where Cardinal Juan Jesus Posadas Ocampo lost his life, I report that four criminal proceedings have been initiated in federal courts and 24 people have been arraigned. Six proceedings have been initiated in civil courts in which we have pressed criminal charges against 24 individuals. Out of 64 arrest warrants issued, 14 have been enforced and 50 are still pending. Meanwhile, this investigation remains open and we have valuable information that still requires corroboration, and we hope to obtain good results.

We will thoroughly cover new leads that may arise in the investigations, exploring any new hypothesis that can contribute new elements in any of these three cases.

I want to recognize the work done by the legislative commissions in the chambers. Their recommendations and observations have been very useful in the development of the investigations.

President Ernesto Zedillo Ponce de Leon has appointed Jose Pablo Chapa de Zanilla to oversee the continuation of the investigations. Chapa de Zanilla is a lawyer who graduated from the National Autonomous University of Mexico. He is a renown and honorable official of proven efficiency, who has furthered his increasingly expanding career in the Justice Department for 17 years. He started in the Attorney General's Office and went on to become the Federal District Attorney General's Office delegate in Coyoacan, Cuauhtemoc, Hidalgo, and Huajimalpa. He also has served as national director for preliminary investigations in the same office and occupied the general directorship of preliminary investigations in the Attorney General's Office. His ability as an investigator and the integrity displayed throughout his career as a public official are fully recognized. Therefore, his appointment has been well-received by the members of the Colosio and Ruiz Massieu families. His appointment also responds to the concern expressed by the group of legislators in the follow-up commission, because it ensures that a proven investigator will head this very important task.

The cases are not closed and the investigations have not concluded. There are certain areas of the investigation that could lead us to discover new paths to the truth. The Attorney General's Office will measure up to the demands of these difficult times. It will always act within a legal framework and with respect for human rights. Investigations will be taken to their final consequences, and timely progress reports will be presented to society. The people of Mexico condemn and repudiate irrational violence and demand justice and veracity. Nothing and no one is above the law.

[Station reporter Jesus Casasola] We have just heard Attorney General Lozano Gracia. We will now hear Pablo Chapa de Zanilla, who has just been appointed prosecutor in charge of investigating the Colosio Murrieta and Jose Francisco Ruiz Massieu murders.

[Chapa de Zanilla] Media representatives, ladies and gentlemen:

I am honored to have been appointed to head the investigations into the murder of Luis Donaldo Colosio, presidential candidate for the Institutional Revolutionary Party, and Jose Francisco Ruiz Massieu, secretary general of the same party, and to follow up on the case of Cardinal Posadas Ocampo.

A commitment to all Mexicans has been assumed by constitutional President of the Republic Ernesto Zedillo Ponce de Leon, Attorney General Antonio Lozano Gracia, the institution as a whole, and me. By accepting this assignment, I am assuming the greatest challenge of my life. I know that fulfilling this responsibility will require dedication, energy, willingness, competence, and honesty from a group of public employees who are committed to carrying out this task, and are aware of the importance of this tremendous responsibility.

All time, resources, or sacrifices required will be devoted to this task. With this conviction, I personally commit myself to join the efforts of the attorney general with a renewed understanding of the importance of my work. We will redouble our efforts to prove to our society that the actions of the Attorney General's Office are in defense of the people's highest interests. Justice must prevail, and not just in each specific case or only for those who seek it; beyond this, we must guarantee justice for all.

The Deputy General Attorney's Office will be open to review and recommendations from the media and the public in general. We will have a hotline and a post office box to receive and evaluate on a confidential basis any evidence that might contribute to the investigations. I will soon announce a short-term working plan in which we will announce the steps and methodology that will be used in the investigations.

We must recognize that significant progress has been made. One person has been convicted and several are currently being investigated. I will push the investigations to their final conclusion and will resolve all pending matters in the search for new clues and suspects.

It is President Zedillo Ponce de Leon's desire to clarify any doubts and concerns that may exist among Mexicans. My commitment is meeting this challenge. We will never be satisfied if there are people the law cannot protect, or people the law cannot repress. Protection and repression constitute the essence of the administration of justice and the government's unequivocal duty. Thank you. [applause]

Chamber Approves Public Administration Reform Bill

PA1912142594 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 19 Dec 94

[From the "Early Morning" newscast]

[FBIS Translated Text] The Chamber of Deputies, on a vote of 381-35, has approved the presidential initiative to reform the basic Federal Public Administration Law. According to this bill, there will still be 17 secretariats. However, the Fisheries Secretariat will become the Environment, Natural Resources, and Fisheries Secretariat; the Energy, Mines, and Parastatal Industry Secretariat will become the Energy Secretariat; the Agriculture Secretariat will become the Agriculture, Livestock, and Rural Development Secretariat; and the Comptroller General Secretariat will become the Comptroller and Administrative Modernization Secretariat.

Finance Secretary Explains Budgetary Goals

PA1612132894 Mexico City EL FINANCIERO in Spanish 10 Dec 94 p 5

[Report by Victor Gonzalez]

[FBIS Translated Text] While presenting the legislative branch with a 1995 budget proposal whose expenditures amount to 352.489 billion new pesos—1.9 percent greater in real terms than in the 1994 budget—the executive branch stated that its expenditures will be based on six priorities.

These are: economic growth to improve family welfare; the struggle against extreme poverty; the promotion of new jobs; the expansion of basic infrastructure; improvements in public security and the justice system; the consolidation of balanced public finances; and support for the economic strategy established within the overall economic policy guidelines for 1995.

In explaining the reasons for promoting the initiative, the executive branch urged the deputies to authorize the continuation of the Program of Direct Support to the Countryside (Procampo) for 15 additional years. The executive branch also requested approval for 1.8 million retirees and pension recipients to receive pension checks based on minimum wages in effect in the federal district.

Yesterday, Jaime Serra Puche, secretary of the Finance and Public Credit Secretariat (SHCP), formally presented the proposal to the Chamber of Deputies.

The document establishes that the main goal in 1995 will be to promote economic growth to improve family welfare and that all decisions on the levels and composition of public spending will be made with this goal in mind.

The document establishes that public expenditures will comprise the fundamental instrument to satisfy society's demands and basic needs, to promote social development, and to strengthen the nation's infrastructure to improve national competitiveness, as well as to preserve macroeconomic stability.

The finance secretary also explained that the budget proposal includes reforms of several government secretariats. For this reason, expenditures are expected to reflect a commitment to offer more efficient public services mainly to those offices responsible for social and rural development, comptrollership, and the energy sector, as well as to take advantage of the country's natural resources.

Ordered Public Expenditures

The executive branch stresses that the budget request for 352.489 billion new pesos represents 25.6 percent of GDP, 0.5 percent lower than the 1994 budget.

The public sector's projected expenditures for 1995 will be somewhere around 273.478 billion new pesos, which represents a 5.1 percent increase in real terms. As a proportion of GDP, projected expenditures for 1995 represent nearly 19.8 percent of GDP.

Serra Puche said 30.263 billion new pesos have been earmarked to meet obligations stemming from the public debt, and this amount represents 2.2 percent of projected GDP. He also noted that the public debt is expected to decrease 11.5 percent in 1995 in real terms.

He stressed that funding for federal and municipal organizations will increase by 2.8 percent in real terms over 1994.

The SCHP official highlighted that, in light of the goals of encouraging economic growth and increasing employment without incurring additional deficits, the budget proposal seeks to turn back the trend in which expenditures increase at a higher rate than investments.

Finance Secretary Jaime Serra Puche yesterday explained that the 1995 economic and financial policies "can be revised and that changes are not being ruled out." Serra Puche accepted the possibility of revising the way in which funds are disbursed through Pronasol [National Solidarity Program] in an effort to remove "the conditions" that, up until now, have prevented their integrated management.

Nevertheless, he argued that the allocation of federal resources to the states and municipalities will not be increased, because this would result in "leaving unprotected" other areas, although he admitted that this decision was subject to review. Meanwhile, he insisted that the state and municipal treasuries will have to be strengthened to enable them to be modernized, become more efficient, and manage the resources they have in a clearer and more effective manner.

The finance secretary stated the above to a group of Party of the Democratic Revolution [PRD] legislators headed by Jesus Ortega, their parliamentary leader, during a meeting prior to the finance secretary's appearance today before the full Chamber of Deputies.

Meanwhile, yesterday the deputies received the blueprints of the Disbursement Budget and the Revenues Law for 1995.

In the first of these, the Programming, Budget, and Public Accounts Commission of the Chamber of Deputies concluded that public spending projected for next year is in line with the overall economic policy guidelines. The budget is balanced, and with a reduction in the cost of financing the debt, it will be possible to recover the projected outlays. This, Serra Puche pointed out, will consolidate economic reactivation and contribute to raising the Mexican people's social well-being.

Meanwhile, the Treasury Commission of the Chamber of Deputies agreed that within the Revenues Law there is a clear tendency to support growth with solid social foundations. This is a reflection of harmony in the handling of fiscal, monetary, and exchange policies, as well as a reflection of efforts in consensus-building.

It also authorized a net foreign debt of $5 billion that the federal executive branch requested before Congress.

He noted that the rationalization of public spending has permitted an increase in the amount of resources earmarked for social development, which will be compensated through reduced disbursements earmarked to pay the interest on the public debt.

While meeting with the PRD deputies, the finance secretary expressed his disagreement with statements by a PAN [National Action Party] legislator who said that the Disbursement Budget and the Revenues Law could not be modified.

In this regard, he stressed, leaving no doubts, that the 1995 spending and revenue policies "are revisable." In turn, he insisted that changes are not being ruled out.

Concerning this, he noted that Congress has the power to revise and propose appropriate changes to economic and financial policies, as long as these changes do not affect the overall amount of the disbursements for the coming year.

According to the PRD members, Serra Puche left the door open for some "reallocations" under Section 23 of the Disbursement Budget. This section permits money to be taken from the funding of institutions with lesser degrees of social participation; however, this can only be done as long as alternatives are presented. This falls under nonsector disbursements.

During the private meeting with the PRD's economic team, the finance secretary maintained that the Disbursement Budget and the Revenues Law have never been rigid and unalterable documents. In turn, Serra Puche announced the creation of a commission comprising members from the Treasury Secretariat and the Chamber of Deputies to study not only proposals concerning revisions to the 1995 economic and financial policies, but also, beginning next year, the 1996 budget package.

Regarding Pronasol, the finance secretary made a commitment that the resources will no longer be managed by the Solidarity Committees. Instead, they now will be managed directly by the municipalities. In this way, he appeared to favor ending the conditions under which the program's resources have been disbursed. He explained that it will be necessary not to require municipalities to put up 50 percent of the resources in order to use the other 50 percent granted by Pronasol.

During the meeting, the PRD legislators asked Serra Puche for a new program for federal contributions to the states and municipalities. This was rejected by the secretary himself.

Nicaragua

Minister, Economic Cabinet Ask For Pardon of Foreign Debt

PA1812222094 Managua Canal Cuatro Television in Spanish 0400 GMT 16 Dec 94

[Report by Miguel Mora; from the "Extravision" newscast]

[FBIS Translated Text] Presidency Minister Antonio Lacayo and the economic cabinet today asked donor organizations and countries to pardon $8.2 billion of the country's foreign debt.

Lacayo said in exclusive statements to "Extravision" the debt is unpayable; therefore, we all are going to die here if the pardon is not accepted.

Even though the meeting between the economic cabinet and the cooperating countries was held behind closed doors, "Extravision" was able to witness one of the sessions in which participants discussed the foreign debt just when Foreign Cooperation Minister Erwin Kruger was asking for the pardoning of three-fourths of the country's foreign debt on behalf of President Violeta Chamorro:

[Begin Kruger recording, in progress] ...reduce it from $10.9 billion to $2.7 billion, a debt concession [deuda concesional] which would place the country in an advantageous position before its creditors. It would effectively allow it to initiate an actual process of economic and social reconstruction. [end recording]

The government's request is specific but ambitious. Mrs. Violeta Chamorro asked for the pardoning of 75 percent of the country's foreign debt, some $8.2 billion:

[Begin recording] [Mora] A 75-percent reduction of the foreign debt is a specific but ambitious goal; that is what I heard today.

[Lacayo] It is ambitious indeed.

[Mora] Is it feasible?

[Lacayo] It is also feasible, but we are dead if we cannot do it. The Sandinists left us such a huge debt that the actions that need to be taken have to be strong so that we can take it off the shoulders of the people.

[Mora] What was their immediate response to your proposal?

[Lacayo] We have always felt the international community has shown a commitment to help Nicaragua. The interesting thing is that they have realized during these last few years it is not only a matter of making economic adjustments inside the country and of reactivating the economy but also of doing something to reduce the foreign debt. I feel we are going to have their support.

[Mora] We are talking about $8.2 billion we are not going to pay many people. What was the reaction of the people who are not going to be paid?

[Lacayo] They knew it beforehand. They are aware an economy as small as ours could never face this debt. The thing is that the problem has been constantly postponed. We hope to find a solution to this problem before the conclusion of the Violeta Chamorro administration in late 1996. We hope not to pass this burden on to the new government. We want to take full advantage of 1995 and 1996 to find a solution. I believe we can do it.

[Mora] Undoubtedly, the reduction of the debt would be one of the greatest achievements of the government. How would it benefit common Nicaraguan citizens?

[Lacayo] It would mean less money spent on paying the debt; therefore, there would be more money available for the nation's budget needs. There would be wage increases, better health and education services, and more credit for producers. The money would stay here instead of being expended to pay third countries, but that goal could only be achieved if our debts with other countries can be reduced.

We have been making a great effort since 1990 to postpone debt payments and to make the minimum payments to the foreign debt, but we need to make it official so investors can see this country no longer has that burden and then decide to come to Nicaragua. There would be an indirect benefit in this regard, because more jobs would be created when new investments are made. Common citizens of this country would have a great deal to gain. [end recording]

Nicaragua hopes Latin American countries, former Socialist bloc countries, as well as Libya, Iran, and India will pardon the debt. We would only have a debt pending with the Paris Club, the World Bank, and the IMF. If the pardon is accepted, the government would have no more excuses to continue with its structural adjustment program.

PLC National Executive Council Withdraws From UNO

PA1712011494 Managua LA PRENSA in Spanish 14 Dec 94 pp 1, 16

[Report by Cesar Ubeda Bravo]

[FBIS Translated Text] The National Executive Council of the Liberal Constitutionalist Party (PLC) has decided to withdraw from the UNO [National Opposition Union] parliamentary group, but it has not resigned from the Political Council. This result stems from the presumed political moves led by Alfredo Cesar to obstruct the candidacy of Jaime Bonilla, Eliseo Nunez has confirmed to LA PRENSA.

Nunez, the PLC vice president, has told LA PRENSA his party's official position will be delivered in writing to the

UNO Political Council at 1700. The party will resign from the coalition wing and announce its decision to form its own legislative bloc with five deputies.

Nunez has said: "We have been treated like political adversaries within the UNO, where some have decided to sacrifice the presidency of the parliament, given the contempt they have for the PLC. They have turned the coalition over to the political interests of the renewal movement Sandinists and the UDC [Christian Democratic Movement], supported by Guzman's reelection."

The PLC's vice president has accused Cesar of turning the UNO over to interests unrelated to the coalition during a meeting held on 9 December with Sergio Ramirez, Luis Humberto Guzman, and Luis Sanchez.

Nunez has said the intent of the meeting Cesar held with these representatives of other parliamentarian forces was to put Bonilla out of the picture. Bonilla, in his opinion, was considered a strong opponent to Guzman's reelection.

The 23 UNO deputies, who represent seven political parties, met at the coalition's headquarters yesterday to choose their three candidates to hold positions on parliament's board of directors.

In a tight, secret vote, Nicolas Bolanos, of the PNC [National Conservative Party] garnered 15 votes; Julia Mena, of the PLI [Independent Liberal Party], garnered 13 votes; and Luis Sanchez, of the PND [National Democratic Party], garnered 13 votes, while Bonilla garnered 12 votes, lacking one vote needed to be elected.

Bonilla has accused in turn PND leader Alfredo Cesar of having maneuvered against him so as to prevent his candidacy to a position on parliament's board of directors.

"Alfredo Cesar, in a move with the PNC and the PLI, cut off the PLC, given the force our party has been exhibiting," Bonilla has said.

According to Bonilla, the march by the five liberal factions staged on 11 December, in which more than 30,000 people assembled, helped a UNO sector prevent the PLC's progress in various political fields.

"The stumbling block is not against Jaime Bonilla; it is to detain the PLC's growing force. The march of the liberal factions helped a UNO sector make this decision," he has said.

"The results of this election lead us to revise our participation in the UNO, because we cannot be part of an alliance with parties that torpedo the PLC's possibilities. We cannot be part of an alliance in which they want to push our party into an obvious confrontation," Bonilla added.

"It is clear Cesar is pitting the UNO against the PLC" according to this liberal constitutionalist.

PLI President Wilfredo Navarro has denied this party had maneuvered against the PLC to hamper Bonilla's aspirations to hold a post on the parliamentary board of directors.

"We do not make maneuvers. The action we took was a right we have as a party to hold a position on the board of directors. Democrats are recognized in the defeats, not in the victories," Navarro has said.

The PLI president, after terming Bonilla's statements as "unfortunate," has said there are scant possibilities the PLC will withdraw from the coalition, "given it has received benefits."

"Political decisions are made rationally, not with the passion of frustrated individuals. We are respectful of the individuals, and we believe Bonilla's statements are regrettable," Navarro has said.

Luis Sanchez, who has said he had supported Bonilla's candidacy, did not wish to issue any statement until he read the accusations of the liberal constitutionalist.

LA PRENSA has contacted Alfred Cesar's residence via telephone to learn of his opinion on the matter, but he was not home.

Panama

Papa Egoro States Position on Cuban Refugees

PA2012000494 Panama City LA PRENSA in Spanish 19 Dec 94 p B-13

[Statement issued by the Papa Egoro Movement; place and date not given: "Position of the Papa Egoro Movement on the Cuban Refugee Camps in Our Country"—published as a paid advertisement]

[FBIS Translated Text] More than 8,000 Cubans of all ages have been confined for some weeks now in improvised camps built in the Canal area within Panamanian territory.

Thousands of men, women, and children in these camps, deprived of their basic human rights, suffer daily the torture of uncertainty, with unpredictable consequences, especially regarding the emotional development of the children held there.

The Papa Egoro Movement would like to draw the attention of our Panamanian brothers to this problem so we will not falsely believe the problem only involves the Cubans confined in the camps. Even though the depressing situation these people are experiencing is not the responsibility of the Panamanian people, we cannot ignore this drama, because these are human beings who, in addition to being Latin American brothers, are suffering in Panamanian territory, a few kilometers from our capital.

The Papa Egoro Movement issues a call to the Panamanian people so that, in an act of human solidarity and in the same way we are concerned about the desperate situation of the poor of our country, we will try to find and demand an urgent solution. We are issuing this call so our Cuban brothers, who are sufferling today in the Canal camps, will be transferred as soon as possible to the United States or any other country that is able to grant them asylum, and so in this way a resolution to the inhuman situation in which they are living can be found.

Please, let us not be indifferent to the tragedy being experienced by thousands of human beings, deprived of their freedom in detention centers located in our own country.

National Executive Directorate

Papa Egoro Movement

Editorial Decries 'Vengeful' Reprisals Against Rafters

PA1812173694 Panama City EL PANAMA AMERICA in Spanish 18 Dec 94 p A-6

[Editorial: "The Rafters' Tragedy and the Torrijos-Carter Treaties"]

[FBIS Translated Text] The tragedy of the Cuban rafters in our country continues. The 7 and 8 December incidents were very serious. Although this could have been anticipated—in fact, many observers did predict this would happen—it obviously took U.S. and Panamanian authorities by surprise.

What is happening now, however, is even more serious. It is not a spontaneous and unplanned reaction; rather, it is an intentional and vengeful reprisal by U.S. soldiers.

Not only have additional soldiers been deployed from the United States to surround the camps; not only have hundreds of presumed "instigators" been isolated under repressive conditions; not only have living conditions and communications abroad been made more difficult for the detainees in all of the camps, but there also are signs that the treatment of the rafters is teetering on the inhuman.

The tragedy of the rafters continues in flagrant violation of their human rights, which are protected by international treaties and by our national Constitution.

What seems inconceivable is that all of this is taking place allegedly as a humanitarian action under the Torrijos Carter treaties, which supposedly recognize Panamanian sovereignty and national dignity.

Panamanian authorities in the previous government clearly warned it was a mistake to lodge Cuban rafters in areas under U.S. military jurisdiction, because it would contradict the fundamental purpose of the Torrijos-Carter treaties.

Officials in the current government, however, repeatedly claimed the opposite, and they even gave wide publicity to senseless opinions expressed by former treaty negotiators in favor of this action in an effort to please President Clinton.

The cost Panama must pay for this situation is increasing every day. Panama must pay the price of witnessing on our own soil a huge injustice against people who are demanding freedom. It is also paying the price of seeing how the Canal Treaties are being violated to commit this injustice with the knowledge and approval of those who demagogically claim to have liberated the country from "a colonial enclave."

On behalf of the rafters' dignity as human beings and our own national dignity, we must demand an end to this ongoing tragedy.

Ministry Source Confirms Dismissals of Customs Officials

PA2012035994 Panama City LA PRENSA in Spanish 18 Dec 94 p 1

[Report by Ibeth Vega G.]

[FBIS Translated Text] A source from the Finance and Treasury Ministry yesterday confirmed the dismissals of the Technical Customs Investigations Division (DITA) deputy chief and six other Customs officials for alleged involvement in the mishandling of Customs documents.

DITA Deputy Chief Daniel Diaz "was forced to resign" according to the source, and the six other officials were declared unnecessary [insubsistentes]. The source added that the Internal Auditing and Supervision Department of the Finance Ministry is conducting audits in the offices in which these officials used to work and that a complete, official report will be made public once the investigations into alleged customs fraud and mishandling of documents ends.

The source also reported these officials who were dismissed were involved in the case of a freight truck that was detained on the evening of 15 December. They also are linked to alleged cases of administrative corruption and customs fraud. The source failed to report, however, whether there were any arrests.

It was reported that the truck remains at the Customs installations and that it will be searched in the presence of the corresponding authorities on 19 December to verify its contents.

The government of President Ernesto Perez Balladares has had to deal with in less than one month several cases of corruption, such as the ones involving Legislator Mario Miller and Modelo Prison Director Manuel Donato Jimenez, who were arrested for allegedly committing corruption.

Meanwhile, Alejandro Brenes, Tocumen International Airport Customs director, has emphatically denied he had been arrested for mismanagement and for heading a gang of blackmailers operating at that airport.

Brenes was interviewed and said has that these lies come from the office of the National Police chief at the airport and that they are aimed at deteriorating the image of the airport administrator, hence deteriorating the image of the government.

Concerning this problem with those in charge of the National Police office at the airport, Brenes has said he has already notified Customs Director General Arturo Fabrega. Other officials, including Cargo Chief Misael Soberon, did likewise. Soberon has reported the "prepotent and rude" manner in which the police have treated him.

Brenes has maintained there are problems even with Customs officials who work in the baggage claim area who are often confronting police and security personnel.

Another source from Customs has told LA PRENSA the situation emerged, because the National Police members who work at the airport want "to meddle in Customs' task of receiving and checking passengers' luggage, prompting several strong arguments between Brenes and policemen."

The differences among the security bodies that operate inside the airport have been developing for several months. The previous administration tried to create a body that would coordinate them, but the attempt failed.

Regarding the case of Cecilia de Urriola, secretary of the Customs director general, the source assured she has resigned purely for personal reasons, not for administrative reasons.

Businessmen Protest Action Against Shipyard Company

PA1812005694 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Dec 94 p A9

[Communique issued by Ricardo Ortega, president of the Association of Business Executives, issued in Panama City on 14 December—published as a paid advertisement]

[FBIS Translated Text] The Panamanian Association of Business Executives (APEDE), cognizant of its democratic responsibility and abiding by what its principles and objectives demand, feels that the situation involving Astilleros Braswell International Inc. constitutes yet another attack on free enterprise in Panama.

The incidents involving that company and the Crucero Express company mar our international image, something we have striven to improve in order to attract investment in the country.

Legal certainty and confidence must be translated into clear rules that constitute the basis for the development and promotion of free enterprise as a motivating factor that makes it possible to attract both national and foreign investments to the country.

APEDE will always advocate the principle that public officials must be objective in interpreting and applying legal norms and procedures. We urge the national government to continue its policy of fighting corruption. In that respect, we call for an in-depth investigation to dispel any doubts about actions by the official who authorized the implementation of this measure in an effort to establish if this measure is legally viable. Should there exist a degree of complacency that counters legal provisions, the appropriate administrative authorities should punish the transgressors in an exemplary manner.

In our effort to continue with the policy of being a trade group watchful of public property and the good management of the state and its entities, we reiterate our protest and request that public officials should be ever zealous in interpreting and applying legal norms and procedures in order to foster the propitious climate that has a positive influence in promoting national and foreign investment, by providing the appropriate guarantees.

We issue this appeal to the government to take these actions and force us to strengthen the honest and efficient administration of justice that allows overall social, economic, and political development of the country.

Issued in Panama City on 14 December 1994.

Panamanian Association of Business Executives

Ricardo Ortega, president

Argentina

Menem Returns From Mercosur Presidential Summit

PY1912131994 Buenos Aires TELAM in Spanish 2041 GMT 17 Dec 94

[FBIS Translated Text] Buenos Aires, 17 Dec (TELAM)-—President Carlos Menem arrived back today from the Brazilian city of Ouro Preto, where he participated in the signing of the Mercosur [Common Market of the South] agreements.

The chief of state, wearing a gray suit, blue shirt, and purple tie, arrived aboard the presidential plane at the military sector of the Jorge Newbery Metropolitan Airport.

Menem immediately left by helicopter for the Olivos residence without meeting the press.

Economy Minister Domingo Cavallo, Foreign Minister Guido Di Tella, Army Chief of Staff General Martin Balza, Chief of the Military Household General Jorge Rearte, and Border Guard Commander in Chief General Timar Musumeci returned with the president.

Former Ambassador to Brazil Jose Manuel de la Sota; Guillermo Johnson, candidate for the governorship of Cordoba Province; and Alejandro Tfeli, Menem's personal doctor, were also on the plane.

Menem, Brazilian President Itamar Franco, Uruguayan President Luis Alberto Lacalle, and Paraguayan President Juan Carlos Wasmosy signed the document that launches Mercosur on 1 January 1995.

Peru's Fujimori Interviewed on Upcoming Visit

PY2012025094 Buenos Aires LA NACION in Spanish 19 Dec 94 p 11

["Summary" of telephone conversation with Peruvian President Alberto Fujimori, in Lima, by Ovidio Bellando in Buenos Aires]

[FBIS Translated Text] Peruvian President Alberto Fujimori, who will arrive in Argentina today "to strengthen personal ties at all levels" and review "the integration that will have to be achieved at some point," did not support Argentine President Carlos Menem's stance in urging the democratization of Cuba at the summit recently held in Miami, because in his opinion "the man who runs Cuba should have been present."

LA NACION held a telephone conversation with the Peruvian president, a summary of which follows:

[Bellando] What are your hopes for your visit to Argentina?

[Fujimori] I believe this exchange of presidential visits (Menem visited Lima last month) will allow the strengthening of personal ties at all levels.

[Bellando] If a 100 percent rating was assigned to terrorism when you were inaugurated as president, what would the current rating be?

[Fujimori] I would say between 10 and 15 percent, with the characteristic that this 10-15 percent has been cornered in the jungle area and in the area producing coca leaves. We have eradicated terrorism from urban and rural areas.

[Bellando] Are you more concerned about terrorism or drug trafficking?

[Fujimori] About drug trafficking, because terrorism is reaching its end. My goal is to eradicate terrorism in 1995, before ending my term of office. And I may say that I will defeat it. For the state, the threat posed by drug trafficking is similar to the one posed by terrorism, but with a different mechanism: infiltration by corruption.

[Bellando] According to the polls conducted on the April 1995 elections, what are the current percentage differences between you and the following candidate?

[Fujimori] Well now, they vary between 20 and 30 percent, depending on the polling companies, but these figures are merely indicators that I just use as another reference.

[Bellando] What is the profile of your supporters?

[Fujimori] In my opinion, the poorest classes and the people in the neglected provinces are the ones who are strongly supporting the government and, therefore, my candidacy. I also see solid support from the entrepreneurial sector.

[Bellando] How much did foreign investment total in your country during 1993 and 1994?

[Fujimori] Through privatizations, we had projected receiving about $1 billion in investment in 1994, but actually $3 billion have already been received. To this amount we must add private investments that might total $200 or $300 million. What really matters is that there are investment projects for the next three or four years totalling more than $5 billion. In 1993 we received less investment through privatizations. We received about $700 or $800 million, and private investments were unimportant.

[Bellando] Do you believe that in your next term of office, if you are reelected, Peru might approach Mercosur [Common Market of the South]? Does the Andean Pact constitute any impediment?

[Fujimori] Given the speed with which our economies are developing—I am talking about those of Peru and the other Andean Pact countries—I believe there will be cohesion in this subregional group and advancement toward establishing a free trade zone. Each Andean Pact country is now attempting to approach Mercosur. Peru (I am not talking about the government of Alberto Fujimori, but about anyone who may be in the government) has a kindred geographical and economic position with the Mercosur countries. I believe we will form a Latin American group, carrying its own weight with regard to the rest of the world, before the year 2000.

[Bellando] What would be your message for the Argentine nation?

[Fujimori] The ties between the two countries must be enhanced. We Argentines and Peruvians must strive for a common goal like that of Latin American integration.

Arrives for 2-Day Official Visit

PY1912142494 Buenos Aires TELAM in Spanish 1232 GMT 19 Dec 94

[FBIS Translated Text] Buenos Aires, 19 Dec (TELAM)-—Peruvian President Alberto Fujimori arrived at 0920 at the military sector of the metropolitan airport to begin an official 2-day visit.

Fujimori will meet with President Carlos Menem at noon. He was met at the airport by Interior Minister Carlos Ruckauf, Labor Minister Armando Caro Figueroa, Health Minister Alberto Mazza, Education Minister Jorge Rodriguez, and Buenos Aires Mayor Jorge Dominguez.

Holds News Conference

PY1912232094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1427 GMT 19 Dec 94

[FBIS Translated Text] Buenos Aires, 19 Dec (NA)—Peruvian President Alberto Fujimori today favored "a gradual democratization process" in Cuba, thus distancing himself from the stance voiced by his Argentine counterpart, Carlos Menem, who advocates a quick democratic solution on the Caribbean island.

Fujimori made these remarks upon arriving this morning at the metropolitan airport, where he held a news conference before beginning a two-day official visit to our country.

The Peruvian president was met at the airport by Interior Minister Carlos Ruckauf and Buenos Aires Mayor Jorge Dominguez, who gave him the city keys.

During his news conference Fujimori also discussed the possibility of integrating Peru into Mercosur [Common Market of the South], which includes Argentina, Brazil, Uruguay, and Paraguay. Mercosur will be implemented on 1 January.

In this regard the Peruvian president was careful about the possibility of joining this regional agreement in the near future. In his opinion this process must be achieved "in the mid-term, within three to five years."

Fujimori explained his carefulness by noting that "there are regional economies that still have to go through an adjustment process" before joining Mercosur.

Fujimori also talked about his marriage with Susana Higuchi, from whom he has separated. He said this is a "domestic problem." Fujimori explained: "There is little possibility of resolving the situation."

Fujimori also confirmed that his daughter will play the role of first lady until he ends his term of office. President Menem and his daughter, Zulema Maria Eva, are in the same situation.

During his visit Fujimori will participate in a working meeting with President Carlos Menem, Argentine Foreign Minister Guido Di Tella, and Peruvian Foreign Minister Efrain Goldenberg.

The two presidents will again meet a few hours later, when they will share a reception party that Menem will host in the halls of the Decorative Arts Museum.

Fujimori and Menem are scheduled to leave from Government House at 1015 on 20 December aboard a helicopter for the town of Ensenada in Buenos Aires Province, where they will participate in a ceremony to dedicate a water treatment plant.

During the afternoon of 20 December Fujimori might participate, along with the Argentine president, in the March Against Drug Abuse and for Life sponsored by the Secretariat for the Prevention of Drug Abuse and for the Antinarcotics Struggle, headed by Alberto Lestelle.

The Peruvian president will end his visit to Argentina at 2400 on 20 December, when he will return to his country aboard the presidential plane.

Uruguay's Sanguinetti, Menem Discuss Mercosur

PY1912234994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1759 GMT 19 Dec 94

[FBIS Translated Text] Buenos Aires, 19 Dec (NA)—Uruguayan President—elect Julio Maria Sanguinetti today confirmed that the Common Market of the South [Mercosur] will promote regional development, emphasized that his country will pursue a policy of nonintervention in Cuba, and pointed out that there would be no changes in the laws on banking secrecy to fight the laundering of money coming from drug trafficking. Sanguinetti made these remarks during a news conference at Government House after meeting President Carlos Menem.

The meeting between Menem and Sanguinetti was held within the framework of a tour that the president-elect is carrying out through the Mercosur member countries.

The Uruguayan president-elect noted that the implementation of Mercosur would not produce any "surprises" because his country long ago implemented a "gradual" policy in anticipation of regional trade. Sanguinetti added: "In terms of percentages, Uruguay's integrated trade with Mercosur already surpasses that of any other country. This process has not just begun, but has been going on for years." In this regard, Sanguinetti indicated: "For Argentina, Mercosur represents about 22 or 23 percent of its foreign trade; for Brazil, it represents about 10 or 12 percent of its foreign trade; and for us, it represents about 50 percent of our foreign trade."

Sanguinetti added: "Since the trade expansion agreements have begun to develop, trade with the Mercosur countries is very important, vital, for Uruguay."

Sanguinetti emphasized: "Mercosur is our main source of imports and the main source for our exports. Therefore, not too many surprises are happening."

Sanguinetti added that there is a "dual" process in Uruguay with regard to poverty and unemployment, because "according to the economic indicators, poverty has been reduced, but unemployment has increased."

Asked about his government's attitude toward the laundering of money coming from drug trafficking, Sanguinetti said: "Uruguay has been a very open financial market for many years, and we must protect that." Sanguinetti added: "This does not mean that Uruguay necessarily is the place for laundering the money produced by drug trafficking, because this laundering occurs in all parts of the world."

Afterwards Sanguinetti confirmed that the banking secrecy in his country "is not untouchable, as the courts can gain access to banking secrets with clear proceedings that abide by the laws and observe due security."

Concerning the policy of non-intervention in Cuba, Sanguinetti emphasized that Uruguay "does not support a blockade" and that he trusts that "a democratization process" will ultimately "reach" the island.

Bolivia

Publication of Picture Triggers Cabinet 'Crisis'

PY1912204794 Madrid EFE in Spanish 0044 GMT 17 Dec 94

[FBIS Translated Text] La Paz, 16 Dec (EFE)—The publication of a picture, probably taken some 14 years ago, today triggered a crisis within Bolivian President Gonzalo Sanchez de Lozada's ministerial cabinet with the resignation of Government Minister German Quiroga Gomez.

Quiroga Gomez today tendered his resignation to President Sanchez de Lozada, and told him that he intends to give up his congressional immunity and request a license from his party, the ruling Nationalist Revolutionary movement (MNR), to be submitted to an investigation like any other citizen.

The picture that prompted his resignation, which was displayed in Congress during a session during which congressmen were discussing the links between the party of former Bolivian President Jaime Paz Zamora and drug traffickers, was published today by the press in La Paz "with the clear intention of harming the government and the party," according to Quiroga Gomez.

In that picture, which recalls the difficult days of Luis Garcia Meza's de facto regime (1980-1981), Quiroga Gomez is seen next to former Interior Minister Luis Arce Gomez and current Police Commander Willy Arriaza, who today received greetings from his fellow police officers.

In that picture, Arce Gomez, Quiroga Gomez' cousin, is seen next to his private secretary Rosario Poggi and the Italian citizen Pier Luigi Plagiaie, who organized the shadowy special security service that unleashed terror among the people.

Also seen on the picture, next to Poggi, is the Italian citizen Stefano delle Chiaie, of the Black Shirts International [internacional negra] and founder of a fascist party in his country that was linked to the Grooms of Death group and had tremendous influence on Garcia Meza's de facto regime.

In his resignation letter Quiroga Gomez tells the president: "I must sincerely tell you that I do not recall ever having posed for that picture, which shows several people I have never met."

"I have never violated human rights and I have never been involved with any dictatorship, because I believe in freedom and in democracy," Quiroga Gomez said, adding that he had done "technical financial work for 17 days" at the Interior Ministry when "my cousin was in charge."

In his letter Quiroga Gomez added: "I have never had any political relationship with Arce Gomez, and much less so with Luis Garcia Meza, whom I never met personally."

Deputy Carlos Borth, of the Movement of the Revolutionary Left (MIR), who said he brought the picture to Congress with another intention, regretted Quiroga's irrevocable resignation, saying that he is "my personal friend."

Borth explained that his objective in showing the picture was that "as nothing could be attributed to Jaime Paz Zamora, nor could he be tried for the fact of appearing next to Isaac Chavarria in a picture, neither could Quiroga or General Arriaza be accused of concealing drug trafficking for posing in a picture next to Arce Gomez, who has been definitely convicted of drug trafficking."

Former Bolivian President Jaime Paz Zamora appeared in a picture next to Isaac 'Oso' Chavarria—who was arrested by the police for being the greatest drug trafficker in Bolivia—during an electoral campaign, and his relationship with drug trafficking is currently being investigated in Congress.

Arce Gomez, considered by the U.S. antidrug organizations as the "minister of cocaine," is currently serving sentence in a Miami prison.

Daily Describes Proposal at Summit 'Absurd'

PY2012014594 La Paz PRESENCIA in Spanish 10 Dec 94 p 2

[Commentary by Augusto Garcia Zuniga: "An Absence That Denotes Presence"]

[FBIS Translated Text] The Summit of the Americas—as the hemispheric meeting to be held 9-11 December in Miami, attended by 34 chiefs of state, is being called—has as a precedent the first hemispheric summit held in Punta del Este, Uruguay, in April 1967.

Bolivia did not attend this first meeting as a sign of protest because the agenda of the summit meetings did not include the problem of its landlocked situation.

This absence was cleverly described in an editorial by the Uruguayan daily EL DIA: "An absence that denotes presence. Their absence was quite noticeable. Their absence—although questionable as a means to obtaining their objectives, in refusing to discuss other significant problems for the entire continent and for that country itself—has managed to draw the attention of all the countries in the world regarding the high plateau country's protest over its landlocked situation. An absence that denotes presence."

This editorial made us aware of the impact of this crucial Bolivian position, which was the product of a strategy designed by such wise men as Foreign Minister Alberto Crespo Gutierrez, Foreign Ministry Under Secretary Walter Montenegro, and Bolivian Ambassador to Uruguay Oscar Cerruto himself.

Their determination to include our landlocked situation on the agenda of this hemispheric assembly went to such an extreme that it generated a unique controversy within the Uruguayan Congress: Representative Uruguayan institutions and personalities signed a declaration demanding that the Uruguayan Foreign Ministry include Bolivia's landlocked situation on the summit's agenda.

Bolivia continued to be determined to include the subject on the agenda until the last meeting before the summit, at which 22 foreign ministers listened to Bolivian Foreign Minister Alberto Crespo Gutierrez' arguments in a note addressed to the meeting, which was read and accepted as an official document of the event.

The Uruguayan summit's refusal to include the subject on the agenda prompted the Bolivian president's decision to not attend the event and to address a note to the president of the conference of American states to explain and justify his absence: "Bolivia's absence at the Punta del Este summit is testimony to the existence of a pending problem in the hemisphere, the consequences of which will be constantly felt because of its significance. It is not a question of an obstinate stance, but rather a question of principles, which has to do with the equal opportunities that each country needs to participate with full sovereign power in the structural changes taking place in young American republics."

This message became an official document of the assembly, and was distributed to all the delegations and the media.

At the same time the Bolivian president sent a telegram to General Oscar Gestido, president of the Oriental Republic of Uruguay, which had the honor of hosting the summit: "In addition to my best wishes for the success of the conference, I must say that Bolivia cannot sit at the table if it does not have the opportunity to discuss issues as important to it as the recovery of an outlet to the sea. It would be shameful to attend the event and return without anything concrete."

Twenty-seven years later, Bolivia will today attend the second hemispheric summit with its own proposal. This proposal, according to Bolivian President Gonzalo Sanchez de Lozada, is "radical, extreme, and of an almost Trotskyist nature," and consists of the implementation of a common hemispheric market.

The proposal itself is not irrational. What is irrational is who is proposing it. Because we and Sanchez de Lozada must realize that Bolivia is the least developed country in the region, and the fact that it shares borders with five other countries makes it a focal country. Aside from this fact, the five neighboring countries, including Paraguay, have, according to the macroeconomic indicators, economies significantly more developed than Bolivia's, and none of these five countries have such dramatic problems with their trade balance as Bolivia, which imports 45 percent more than it exports.

Bolivia's traditional exports include zinc minerals, the greatest volume of which is produced in the mines Sanchez de Lozada owns; natural gas; tin concentrates; and other minerals. In addition to this, 52 percent of its non-traditional exports consist of but four products: lumber, soybean cake, sugar cane, and soybeans. This clearly shows that Bolivia has a primary economy and that its industrial development is definitely incipient. It is, therefore, a captive market that has to compete with its neighbors, except for Paraguay, which are engaged in a historic dispute to expand their commercial and economic borders—a fact that has even allowed them to show evidence of cultural attraction and domination, which frequently turn into political domination.

Can a state such as Bolivia, living within a framework of such acute difficulties, even aspire to the establishment of a hemispheric common market?

It would have been wiser to attend this second hemispheric meeting with an "absence that denotes presence" rather than be present with a definitely absurd proposal.

CSUTCB, Barrenechea React to Peasant Relocation

95SM0081A La Paz PRESENCIA in Spanish 16 Nov 94 p 7

[FBIS Translated Text]

I. The CSUTCB [General Trade Union Confederation of Peasant Workers of Bolivia] Warns: "Relocating the Coca Growers of the Chapare Region Will Be Tantamount to Their Extermination"

The General Trade Union Confederation of Peasant Workers of Bolivia (CSUTCB) warned yesterday that the objective of the government's proposal to "relocate" Chapare's coca growers to the Chiquitania and Gran Chaco regions is the extermination of the peasants and the indigenous populations.

CSUTCB Executive Secretary Felix Santos reported that in the provinces [as published] mentioned by the government as possible new areas for peasant settlements, the native peoples are faced with problems caused by the shortage of land.

In this connection, he said, the objective of moving appproximately 70,000 coca-growing families onto the lands of the indigenous peoples of the eastern part of the country and the Chaco would have the effect of deliberately provoking a confrontation between the two groups that would cause them to engage in mutual extermination.

This warning was complemented by the "Chaqueno" leader Concepcion Sanchez, who manifested his concern over the announcement that coca growers will be moved to Santa Cruz Department and the Chaco region of Tarija Department, alleging that a serious peasant conflict is taking place in those regions as a result of the scarcity of cropland.

"If the government's plan is carried out," Sanchez predicted, "the conflict over occupancy of the land in those regions will be intensified while the Chapare region will have been cleared of peasants, thus enabling the Americans to take possession of it and establish a monopoly over coca growing."

A Failed Plan

To substantiate his warnings, Felix Santos said that in 1989 approximately 500 peasants from the Potosi plateau—with institutional support—started a settlement project called "Sach'a Pera" on the banks of the Pilcomayo River in the Chaco region of Tarija Department.

"But the Tacana communities are located along the banks of the Pilcomayo," Santos said, "and this circumstance led to a confrontation with the Tacana people that forced the Potosi peasants to return to their places of origin or seek a new life in Argentina and the Upper Beni region."

He said the only way these lands could be settled would be to move the indigenous peoples to other areas—something that is impracticable because it would be like depopulating the Aymara-Quechua regions and settling those regions with other peoples.

One on Top of the Other

Santos also criticized the government, which he said "has an extremely simplistic plan not only to send the coca growers to Chiquitania but also 30,000 families from Amboro National Park and 12,000 families from El Chore National Park. Do they intend," he wondered, "to pile us on top of the indigenous peoples of that region?."

He went on to say that behind all this pretense lies the real objective of the Bolivian oligarchy, namely, the extermination of the indigenous peoples within no more than 10 years, despite the fact that these peoples have withstood more than "500 years of colonialism."

Santos further stated that at this rate it would not be surprising if the Aymaras and Quechuas will also soon be "relocated" to the inhospitable lands of Pando Department, on the "pretext of foresting the Bolivian plateau."

II. Barrenechea Says: "The Objective is To Turn the Chapare Region Over to the Transnationals"

"The Chapare region has been characterized by the World Bank as the largest reserve of strategic natural resources in the world," Ramiro Barrenechea, deputy for Eje Pachacuti, said yesterday. "Large quantities of petroleum lie underground, and considerable quantities of precious stones can be found on the surface. The government wants to hand these resources over to the transnationals, and in order to do so it must get rid of the peasants."

Responding to Miguel Urioste's announcement concerning the relocation of the Chapare peasants to the Chiquitania and Chaco regions, Barrenechea insisted that the Chapare region "is targeted by business interests who want to get possession of the natural resources it contains.

"These interests want to control this strip of territory," the deputy added, "which serves as an export corridor and is an area that contains the strategic natural resources about which Miguel Urioste and Antonio Aranibar have written.

"But there is also the question of political control," he declared. "They want to control the region that during the guerrilla wars of independence was the site of the little republic of Ayopaya—which the Spaniards were never able to conquer—because whoever controls that area will have control of the continent." [as published]

In Barrenechea's opinion, political control of the region is also intended to restrain Latin America's social movements.

"The government," he said, "in the document that it presented to the Paris Club, emphasized that the peasants must be prevented from carrying out armed action. In selling the Chapare area, it will also be selling the danger of a social convulsion. It is exchanging the autonomy of our peoples and their sovereignty in exchange for the risk of a Latin American insurgency."

Reservations

Barrenechea declared that the operations carried out recently by the government both in the Chapare region and along the borders—together with Urioste's announcement of the plan to move the peasants into the Chaco and Chiquitania regions—"can be compared to the establishment of the reservations for the Indians in the United States."

"We ought to ask Urioste," he said, "whether the general in command of the U.S. Southern Army came here in the role of a farmer to analyze the plan to depopulate the Chapare region and move the peasants to the promised land' of the Chaco.

"The government is employing the same logic," he added, "that the United States used in confining the North American Indians to the reservations, removing them from their lands so that these lands could be turned over to the settlers, who in our case—if we make allowance for historical differences—are the transnationals."

More Deceit

Urioste insisted that the uninhabited areas of the Chaco and the eastern part of Santa Cruz Department have electricity and are suitable for a different type of agriculture.

In Barrenechea's opinion, these assertions are "just another string of lies by the government. If they are true," he said, "we should ask Urioste why—as a rancher—he never planted anything in the Chaco region of Chuquisaca Department.

"Although the Chaco and Chiquitania are the regions that have the most fragile ecosystems, because they are tending toward desertification, Urioste says the lands he is offering the coca growers show promise," the deputy added with a smile.

He went on to say that the government "operates on the theory that the peasants are merely a bunch of servile Indians who can be moved like chessmen from one place to the other. It believes it can bring off a migration of this type, but it will be mistaken."

"Tell It to the Marines"

"If Urioste thinks he can uproot the peasants of the Chapare region and move them to the Chaco, let him tell it to the marines, but we do not believe it," Evo Morales, leader of the coca-growing peasants of the Chapare region, declared for his part.

Morales reported that the coca growers have been in touch with peasant leaders in the departments of Tarija and Santa Cruz. He said they had assured him that there are no public lands in those regions, contrary to Urioste's assertions.

Brazil

Cardoso Emphasizes Need To Respect Laws

PY2012011294 Sao Paulo AGENCIA ESTADO in Portuguese 1408 GMT 17 Dec 94

[By Carlos Franco and Rosa Costa]

[FBIS Translated Text] Brasilia, 17 Dec (AE)—An impromptu speech delivered today by President-elect Fernando Henrique Cardoso during the ceremony in which the Superior Electoral Court [TSE] handed electoral winners' certificates to him and Vice President-elect Marco Maciel, contributed to embarrassing Congress President Senator Humberto Lucena even more. Lucena has been trying to obtain the approval in Congress of a draft bill ensuring his right to the mandate to which he has been elected, despite the TSE's decision to contest his candidacy. During his speech Cardoso asserted that the laws must be obeyed, "no matter what," and that a different law should not be promulgated for each election. Right after the ceremony, Lucena left the TSE alone.

Cardoso's speech closed the ceremony, which was opened by a speech delivered by TSE President Justice Carlos Velloso, who defended the implementation of the district vote, believing that the district voting system is a tool that can give more legitimacy and openness to the elections. The draft bill to institute this voting system has been under debate in the Senate since 1991. The bill, which was drafted by Cardoso, has received Velloso's formal support. In Velloso's opinion, "the exclusively proportional system favors economic power abuse as well as abuse of authority. It prevents the representatives from being linked to their voters, and stimulates splits among the candidates of a party."

Cardoso made a speech advocating respect for the laws, and recalled his days in exile, the authoritarian period, and the restoration of democracy in the country. He said: "Brazilians have faith, and always return to the ballot boxes." Cardoso promised to cooperate with the electoral courts in improving the electoral laws. He stressed: "Right now, and more than ever, we must think about the importance of the laws, and respect them no matter what." "Even if the culprit is the president of the Republic, although I hope this never happens," he added.

The guests of Cardoso and Maciel occupied 28 of the 68 places in the TSE session room. Among the guests there were only two ministers in the new administration—Sergio Motta, communications, and Jose Eduardo Andrade Vieira, agriculture. Sergio Amaral, future spokesman of the Presidency, and Cardoso's main adviser Ana Tavares also attended the ceremony. They stood next to Pimenta da Veiga, president of the Brazilian Social Democracy Party. Cardoso's wife, Ruth, and his daughter, Luciana, accompanied him on the way in and out of the ceremony. On the way out Cardoso's daughter took his electoral winner's certificate. Maciel did not hide his satisfaction when Cardoso, after receiving the certificates from the hands of Velloso, addressed him as vice president of the Republic. Cardoso said: "I think I can already call you that."

Castro's Presence 'Certain' at Inauguration

PY1912132594 Sao Paulo AGENCIA ESTADO in Portuguese 1946 GMT 19 Dec 94

[FBIS Translated Text] Brasilia, 18 Dec—Itamaraty considers certain the presence of Cuban President Fidel Castro among a group of 11 chiefs of state at Fernando Henrique Cardoso's presidential inauguration on 1 January, although it has not been formally confirmed. Portuguese President Maria Soares and the presidents of neighboring countries will attend the ceremony. Most of the invited governments will send representatives. The United States, for example, will send Justice Secretary Janet Reno.

Beside government representatives, 20 other foreigners have also been invited to attend a party which will be held on two floors of the Brazilian Foreign Ministry in Brasilia. These 20, whose names have not been revealed by Itamaraty, are part of a personal list made up by Fernando Henrique Cardoso.

Cardoso and his team are also making a list of the artists and journalists who will be receive invitations during the week. The two groups include approximately 500 names. All current and future federal deputies, senators, and governors will be invited.

The party at Itamaraty will be for 3,000 people—the second largest party in the past 10 years. In 1985, the inauguration of the Democratic Alliance administration headed by Tancredo Neves and Jose Sarney was attended by 5,000 people on three floors at the Foreign Ministry. On 1 January, two floors will be occupied by the guests who will listen to two bands, one of which only plays chorinhos [typical Brazilian music].

CEI Discovers $20 Billion Funneled Abroad

PY2012011094 Sao Paulo FOLHA DE SAO PAULO in Portuguese 14 Dec 94 Section 1 p 10

[By Lucas Figueiredo]

[FBIS Translated Text] The CEI [Special Investigating Committee] has discovered that in the last four years the illegal remittance of dollars abroad has totalled $20 billion, equivalent to 15 percent of the Brazilian foreign debt.

The money—from drug trafficking, the numbers game, weapons smuggling, and funds remaining from electoral campaigns—leaves the country through "official and ghost financial institutions" and is deposited in the so-called fiscal heavens.

This is the main conclusion of the partial report released by the CEI on 13 December. The report states that there is a corruption "superscheme" in the country.

The Finance Ministry has already received a confidential report on dollar evasion from the CEI, which drafted it together with the Federal Police. The report contains a series of measures that will be adopted within the framework of the National Monetary Council.

As a result of investigations conducted in the executive branch, the most drastic measure suggested by the CEI is the renegotiation of all 657 contracts signed by the National Highway Department and construction companies that are currently under way.

Businessmen, public employees, and leaders of public organizations are involved in the executive branch corruption "superscheme."

The public organizations involved in the irregularities are: the Ministries of Social Security and Transportation and the state-owned companies linked to them, the Health Ministry, and the National Department of Reclamation Projects.

The CEI will this week finish drafting a 40-page dossier nicknamed "The White Book of Corruption," which will serve the next administration as a manual on irregularities involving public employees, companies, and executive branch organizations.

CEI President Minister Romildo Canhim said: "It is absolutely necessary to create an anti-corruption policy in the country, because the scheme currently being used is extremely sophisticated."

According to Canhim, former President Collor's acquittal by the Federal Supreme Court shows that the Congressional Investigating Committees cannot detect all irregularities in the executive branch.

Embratel To Offer Internet to Public in 1995

PY1912233694 Sao Paulo AGENCIA ESTADO in Portuguese 1751 GMT 16 Dec 94

[FBIS Translated Text] Sao Paulo, 16 Dec (AE)—Helio Dalgegan Albuquerque, a special adviser to the Embratel [Brazilian Telecommunications Company] president and general coordinator for the Internet project, has announced that the Brazilian public will have access to

Internet—an international network of computerized information—starting early in 1995. This was Albuquerque's main announcement at a seminar entitled "Internet from A to Z," sponsored by the REVISTA NACIONAL DE TELECOMUNICAOES [NATIONAL TELECOMMUNICATIONS MAGAZINE] (RNT) in Sao Paulo. So far, Internet has been made available only to researchers linked to educational institutions. These researchers have accessed Internet through Fapesp [Sao Paulo Federation to Support Research], the Sao Paulo government institution charged with promoting research.

Following the commercial use of Internet, anyone will be able to access through a telephone line and a computer the services offered by Internet: electronic mail, databases, voice, video, and so forth, in addition to other information networks interlinking 80 countries and 30 million users worldwide. Information about registration for Embratel customers and the exact Internet service rates will be announced on 20 December at the Embratel offices in Rio de Janeiro.

Albuquerque reported that subscription rates for accessing Internet will cost between $20 and $50 monthly. During an experimental period that will extend through the end of April, each subscriber will pay only 0.03 reals more per telephone call to access Internet. During this period, users of Internet services will not be charged international long distance or subscription rates.

Those companies planning to make frequent use of Internet may purchase a special telephone line, which will enable them to have access to Internet at all times with the best possible international reception quality. The speed of data transmission through a special line ranges from 64 kilobytes to 2 megabytes per second. Embratel's commercial offer of Internet services will interconnect in Brazil information networks of various kinds, whether they be commercial, governmental, military, or research, just as those available elsewhere in the world.

Internet now has 20,000 networks in its system and incorporates a new network every 30 minutes. It is estimated that by 1995 Internet will have 60 million users connected; and 100 million in 1996. MCI, a leading U.S. telephone company, predicts that Internet will be a major business network with deals totaling $2 billion annually.

Telemig, CTBC Create Telecommunications Partnership

PY2012023994 Sao Paulo GAZETA MERCANTIL in Portuguese 15 Dec 94 p 3

[Article by Adriana Agostini in Belo Horizonte]

[FBIS Translated Text] The Minas Gerais Telecommunications Company (Telemig) and the Central Brazil Telephone Company (CTBC), which is the only private telecommunications company in Brazil, signed on 14 December a contract previously unheard of in this country. The contract contemplates a partnership that will make the companies more effective and grant them a better level of quality, in addition to making their investments extremely profitable.

In view of the probable greater flexibility intended for the telecommunications sector, the two companies plan to prepare their competitiveness through this partnership. According to Telemig President Julio Boechat Braga, the contractors will be active, in particular, in the areas of cellular telephones, public message services, interconnection of videotext platforms, and the interconnection of the Telemig and CTBC package networks: Minaspac and Algarnet.

Braga said that through this partnership the two companies will benefit from the overall structure already mounted for the sector. "As the work begins, we will check on the expenditures and revenues and make our accountings match," he explained. He added that in 30 days the first joint projects will have been defined.

Chile

Minister Sees Country As Trade Bridge to Asia

PY1912162194 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1000 GMT 19 Dec 94

[FBIS Translated Text] Economy Minister Alvaro Garcia has said that the Chilean association with the Mercosur [Common Maket of the South] will make Chile a natural bridge for trade with Asia.

Minister Garcia, representing President Eduardo Frei, went to Brazil for the Mercosur summit.

[Begin recording] [Unidentified reporter] Important progress has been made recently in Chilean foreign policy. In addition to joining the APEC [Asia Pacific Economic Cooperation], Chile has recently been invited to join the NAFTA with the United States, Canada, and Mexico. Joining the Mercosur now has a special place on the government's agenda. The presidents of the Mercosur countries have agreed to a tariff level of zero within 10 years. During the Mercosur summit, Chile and Bolivia expressed their desire to join this organization in order to have access to a market of 220 million people.

[Garcia] This is an opportunity to face together the challenge of physical integration. If Chile really wants to become a bridge between South America and Asia, we asked for the construction of roads and other means of communication to integrate Brazil, Argentina, Peru, Bolivia, and Paraguay with Chile in order to make it possible to ship these countries' products to Asia. And this was the second agreement at the summit.

[Reporter] Garcia said he is convinced Chile has a promising future in the Mercosur.

[Garcia] I would say that in general the economies of the Mercosur are highly complementary. Therefore, we should continue our experiment of the last few years, especially our experience with Argentina, which led to a very significant increase in trade. This means Chile can increase even further its exports of industrial products and services. These are the sectors that received the most benefits from the trade agreements with Latin America. These sectors not only create many jobs, but they also pay good salaries.

[Reporter] Will the idea of competing directly with a zero tariff level affect our economy?

[Garcia] Yes, of course, when we compete we have to face challenges and demands. But our productive sector has shown a great ability to compete and we have seen a significant increase in our exports every time we signed a free trade agreement with Latin American countries. [end recording]

Carabineros Deployment to Haiti Canceled

PY1912222694 Madrid EFE in Spanish 2021 GMT 19 Dec 94

[FBIS Translated Text] Santiago, 19 Dec (EFE)—Acting Chilean Foreign Minister Mariano Fernandez reported in Santiago today that Chile will not deploy troops from the Carabineros militarized police to Haiti, as had been announced.

According to the program of cooperation with Haiti designed by the government, a Carabineros contingent was to have participated in the task of reorganizing the Haitian police.

The acting Chilean foreign minister explained that this task will be carried out by the Canadian mounted police, which has a linguistic advantage.

In assessing the work of the Chilean mission that left for Port-au-Prince, Fernandez explained that the conditions in Haiti were not appropriate for developing "extensive cooperation." He added that some work could be promoted in the humanitarian area, and that as far as police training is concerned, the work can be done by sending Haitian police to Chile.

Fernandez explained that the Chilean humanitarian aid will be in the area of clothing, food, and various equipment.

Colombia

Proposal for Security Cooperatives Viewed

95CA0066A Santa Fe de Bogota EL TIEMPO in Spanish 1 Dec 94 p 5A

[Commentary by Enrique Santos Calderon: "The Pros and Cons of a Proposal"]

[FBIS Translated Text] The proposal on rural security cooperatives is as explicable as it is dangerous and untimely. The logic is simple. How can rural producers be denied the right to defend themselves (there are currently over 400 ranchers abducted), in view of the government's obvious inability to guarantee their security?

If the state's principal constitutional responsibility is to protect the citizens' lives, honor, and possessions, the authorities can hardly prevent those same citizens from protecting themselves, or fail to help them in this endeavor, when they are being attacked so systematically and atrociously by outlaw groups.

The controversial proposal for rural cooperatives stems from the growing demand by livestock raisers and farmers to be offered a minimum of security. Apparently, the government has heeded this outcry with the defense minister's proposal, which has been received joyfully by Fedegan [Association of Colombian Cattlemen], SAC [Association of Colombian Farmers], and other rural trade associations.

So far so good, but now come the dangers. This state, which has failed to fulfill its fundamental constitutional responsibility of providing security for its people, also has proven unable to control the various citizens' self-defense groups that it has sponsored, directly or indirectly, during the past 30 years. Nor has it succeeded in exercising effective control over its own security forces itself, as Deputy Prosecutor General Salamanca has aptly noted. Furthermore, it has not even managed to bring the private security companies operating in the large cities under control.

So, what guarantee do we have that this new self-defense mechanism, namely, the cooperatives, would not become another Frankenstein, like the one that emerged from the narco-paramilitarized laboratories in the Middle Magdalena region during the 1980's, which ended up turning their exterminating force against the state itself?

The precedent of Middle Magdalena is what has aroused the most concern over the issue of the security cooperatives, and rightly so. The way in which legitimate types of self-defense against the guerrillas were converted by the drug traffickers into private armies in their service is an experience that cannot be forgotten.

But it would be equally unfair to use this tragic example to discredit the right of law-abiding farmers to defend themselves from kidnapping and extortion. And there is one fact that cannot be ignored. Much of Middle Magdalena is now a region at peace; and, in La Dorada and other municipalities, candidates who have been associated with the self-defense groups have received widespread electoral support.

Nor can we overlook another more serious fact related to this issue. Drug traffickers currently own over 30 percent of the country's best land. And since they are large landholders, it must be presumed that the "narcos" will have some hand in the operation of any rural security cooperatives.

However, the essential fact is that those who have not abandoned their land or sold it to "narcos" are involved in the plan to defend themselves, with or without the government's permission, and with or without its help. Self-defense groups are multiplying throughout the country, without the government's involvement in, or even without its knowledge of this phenomenon.

So, isn't it better to have state control and oversight, rather than to have people arming themselves illegally and acting on their own? I consider it a matter of recognizing a de facto situation and attempting to steer it through institutional channels. It seems positive to me that the cooperatives' emphasis not be placed so much on weaponry as on effective communication systems, that would enable them to be connected with police battalions and commands.

It is also advisable that this be a gradual plan, starting in five pilot municipalities with different security problems. Only after a careful assessment of results would the cooperatives be extended to other regions. Attempting to implement this kind of proposal all at once on the national level would be senseless.

The major challenge is still the state's capacity for control over an experiment so fraught with risks. The precedents are not encouraging, and hence all the concern that has been aroused is quite understandable.

The occasion on which this proposal was launched contributed to intensifying the controversy. Therefore, it was untimely. It appeared to contradict the peace negotiations being carried out by the government, and it is not easy to reconcile with the General Law on Disarmament announced by President Samper with such repeated enthusiasm.

The government obviously needs more internal cohesion. The palpable differences between Ministers Serpa and Botero are just one example of this lack of coordination. And if, as the president has explained, the pivotal points of his peace policy involve the High Commissioner for Peace (negotiations with the guerrillas), the Prosecutor General's Office (surrender of drug traffickers), and the Ministry of Government (treatment of paramilitary groups), it would have been logical to have held a previous airing of the proposal for security cooperatives on those levels.

But the proposal is up for discussion now. It has as many arguments in its favor as against it, and the country would benefit from its being debated as extensively as possible. This is necessary because it is related to the tragic reality of Colombia's rural areas: the only reality that cannot be ignored by those expressing views on the subject. Samper will have the final say.

District Overseer Suggests Disbanding Police

PA2012055594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 19 Dec 94

[From the "National Newscast"—passages within quotations recorded]

[FBIS Translated Text] Criticism of the police became more serious as expressed by District Overseer Alfredo Manrique. He not only pointed to the police as a center of corruption but demanded to uproot the very source of the ill. One way to do so would be to disband it, he has said.

The police budget tripled from 8 billion annual pesos to 25 billion annual pesos during the previous administration, and this took place only during 1994 according to the district overseer:

[Manrique] "The city has allocated more than 50 billion pesos in the past 30 months to give the police better equipment and other supplies. We have not seen this expense translated into a reduction of the insecurity prevailing throughout the city at present."

He proposes a radical change of the Metropolitan Police to make it more civic:

[Manrique] "We believe radical measures are necessary. Desperate ills call for desperate measures. In Hong Kong and in Mexico City's federal district, where the police experienced similar corruption, inefficiency, and neglect, the governments adopted the radical measure of disbanding the police."

The mayor of Santa Fe de Bogota and the Metropolitan Police commander have answered the overseer's charges. They have argued that the overseer's remarks are not true in addition to being a personal and malicious suggestion:

[Mayor Jaime Castro] "I do not agree with his view, because it does not echo the opinion of the district authorities. It has not entered anyone's mind to propose to disband the police as an institution. If a judge fails to do his duty, you are not entitled to say the judicial system should be disbanded."

[Police Commander General Rosso Jose Serrano] "I wonder why certain people regard the police as mercenaries. The police are flesh and blood Colombians. We suffer and enjoy. The overseer's remarks constitute a disrespect toward the 2,000 policemen who have died fighting drug trafficking."

The police commander has publicly invited the overseer to become acquainted with the institution inside and out or at least to visit a police station and see for himself what the public force is doing.

Ecuador

Foreign Minister Denies State of Alert on Border

PA2012032894 Mexico City NOTIMEX in Spanish 0222 GMT 20 Dec 94

[FBIS Translated Text] Quito, 19 Dec (NOTIMEX)—Ecuadoran Foreign Minister Galo Leoro today denied the Armed Forces of his country are in a state of alert due to possible friction at the Peruvian border.

The foreign minister thus confronted reports that have been circulating here in recent days that Ecuadoran troops would be deployed to the Peruvian border, because a military state of alert had been reportedly declared.

Such rumors circulated as top officials of the Foreign Ministries of Ecuador and Peru were scheduled to resume talks, which had been suspended months ago, in Lima today.

Sources of the Ecuadoran Foreign Ministry have said the meeting indeed took place in the Peruvian capital between Ecuadoran Deputy Foreign Minister Jaime Marchan and his Peruvian counterpart, Eduardo Ponce Vivanco.

Meanwhile, Peru has announced the appointment of Hugo Valderrama Palma as new ambassador to Quito. The Peruvian diplomatic headquarters was left without an ambassador for several months after Eduardo Ponce Vivanco himself left Ecuador.

Ecuador maintains an age-old border conflict with Peru that has been the source of frequent friction between troops of the two countries at border posts in the Amazonian jungle.

A war between the two countries in 1942 concluded with the signing of a protocol in Rio de Janeiro by which Ecuador lost control of a strip of about 200,000 km in the Amazonian area.

President Rodrigo Borja in 1990 proposed the arbitration of Pope John Paul II to settle a dispute over a not yet delimited area at the border. President Sixto Duran-Ballen shares his view.

The two countries maintain certain border integration projects, however, and are now discussing expansion of a limited free trade agreement that is facing obstacles due to economic differences.

Emetel Privatization Goals Detailed

Northern, Southern Zones Discussed

95SM0075A Quito EL COMERCIO in Spanish 25 Nov 94 pp A1, B1

[FBIS Translated Text] The State Telecommunications Company [Emetel] will become a corporation 100 percent owned by the state. Then it will be divided in two for its conversion into private companies. The proposed law to amend the already existing special telecommunications law, which was drafted by the Social Christian Party [PSC] and which has the approval of the National Modernization Council [CONAM], will divide Emetel into two companies: Emetel Norte S. A. and Emetel Sur S. A.

Emetel Norte will provide telecommunications service in the mountains and in the eastern part of the country, and Emetel Sur will provide telecommunications service along the coast and in the Galapagos Islands.

Some 35 percent of the shares of the two companies will be sold to prequalified investors through an international bidding process. Some 5.0 percent of the shares of the two companies will be reserved for Emetel workers, and 60 percent will be reserved for the state, to be sold later on.

In the view of many observers, the division of the company will lead to the creation of monopolies, more expensive service, and operational problems.

The privatization of Emetel will not be easy, and any mistake would make this process shaky at the very time when operating companies would be deciding to come to Ecuador.

However, the government is determined to privatize one of the strategic areas of the state. For this purpose a draft bill to amend the special telecommunications law is being prepared, although it will also be necessary to amend the national constitution.

The draft bill, prepared by the Social Christian Party, has the approval of the National Modernization Council (CONAM).

Mauricio Pinto, president of CONAM, said recently: "It makes no difference where the draft bill comes from. What is important is that Emetel should be modernized." According to the reform plan, Emetel will be sold under arrangements different from those in other countries in Latin America which have been pioneers in the privatization of telecommunications systems. In the case of Ecuador, the company will become a corporation belonging 100 percent to the state, to which all of the personnel, assets, and liabilities will be transferred.

In the second phase Enetel will be divided into two companies: Emetel Norte, S. A., which will provide service to the mountains and the eastern part of the country, and Emetel Sur, S. A., which will provide service to the coast and the Galapagos Islands.

Although the National Modernization Council does not mention the division of service in a promotional pamphlet circulating abroad—possibly because of an error—the draft legislation clearly states that 35 percent of the shares of the two companies will be sold to prequalified investors through an international bidding process.

Some 5.0 percent of the shares will be reserved for Emetel workers, and 60 percent will be reserved for the state, for subsequent sale.

In the view of many observers, the division of the state company into two parts will not only create operational problems, but will also require new investment in the construction of systems to connect two different networks, will lead to increased service and operating costs, and will result in the creation of a monopoly in the respective areas. As a result, the philosophy of privatization and a system of competition will disappear.

The southern region of the country, with its headquarters in Guayaquil, will be composed of six provinces: Esmeraldas, Manabi, Los Rios, Guayas, El Oro, and Galapagos, which together have an extensive demand for telephone service at the national level and are economically well developed.

On the other hand the northern region, with its headquarters in Quito, will include 15 provinces which have limited telephone service.

It is anticipated that in 1995—the year when the privatization of the telecommunications system takes effect—the northern region will have 49.12 percent of the telephones in the system. By the year 2000, it will have 45.46 percent; by 2005, 44.50 percent; and by 2010, 42.39 percent.

Meanwhile, in the southern region the corresponding figure for 1995 will be 50.88 percent; 53.47 percent by 2000; 55.93 percent by 2005; and 57.58 percent by 2010.

In the Province of Zamora, the telephone service will cover 0.21 percent of the total number of subscribers. The Province of Morona will have 0.26 percent of the subscribers; Canar, 0.65 percent; Sucumbios, 0.21 percent; Pastaza, 0.26 percent; Napo, 0.40 percent; Bolivar, 0.52 percent; and Cotopaxi, 0.98 percent. o73

On the other side of the coin the Province of Esmeraldas will have 2.29 percent of the subscribers; Manabi, 5.82 percent; Los Rios, 3.29 percent; Guayas, 35.67 percent; and El Oro, 3.78 percent.

With this as a point of reference it is estimated that investors will be inclined to choose the area which offers them the greatest return on their investments, and there will be few proposals for investment in the other area.

Specialists say that Guayaquil would become the developed capital of telecommunications, compared to the mountains and the eastern part of the country, which will have little telecommunications service. They state that the southern region would probably attract the interest of prestigious investors, while the northern region would run the risk of having poorly organized companies which would be very little developed from the technological point of view and which would have little experience.

This Is the Way That Privatization Will Work

Emetel, S. A., will be established, and personnel, assets, and liabilities will be transferred to it. It will be a 100 percent state-owned company. Then two corporations will be formed out of it, Emetel Norte and Emetel Sur, to provide service in the mountains and eastern areas and along the coast and in the Galapagos Islands, respectively. The sale of 35 percent of the stock will be handled by international bidding by prequalified investors. Some 5.0 percent of the stock will be reserved for Emetel workers and 60 percent of the stock for the state, for subsequent sale. A working group will be established to handle all activities subject to privatization and coming under the Commission for the Modernization of Telecommunications, or Cometel. The necessary documentation will be prepared for interested parties, including concession contracts, invitations and conditions for bidding, contracts for the purchase and sale of shares of stock, and statutes and trust contracts for the stock reserved for the workers. The terms of reference for the investment banks which will promote the sale of stock in the companies will be listed. The World Bank will be asked to review and approve the contracts involved. Investors will be prequalified and will sign contracts of confidentiality with the government for the rest of the process.

The Double Edge

Ecuador is recording a deficit in terms of the transmission of telecommunications.

The establishment of two telephone networks will bring conflicts in the provinces. For example, which of the two companies will be responsible for providing service to the El Carmen and La Concordia areas? If there are cities which lose money on their telecommunications networks, as is the case with Cuenca, it will be necessary to build a network which approaches the Province of El Oro, via Azuay, and another network via Azuay to El Oro.

Better Service, Image Envisioned

95SM0075B Quito HOY in Spanish 29 Nov 94 p 3A

[FBIS Translated Text] CONAM [National Modernization Council] is preparing to choose among four foreign firms, still to be selected, which will appraise Emetel.

The State Telecommunications Company (Emetel), which will be one of the first companies to be privatized, is in completely sound condition making substantial investments to develop itself, despite having been excluded from providing profitable new telecommunications services.

At the same time as the process of privatization, which is now imminent, Emetel has undertaken a program of increasing the number of lines available and improving its image and service. In the view of some people, this is interpreted as a belated reaction. In the view of others it is a kind of rejuvenation to increase its attractiveness to private investment.

The Company Is in Good Condition

One of the indicators of the good condition of the company is the progress made on the development plan approved for the period between 1992 and 1996. In 1993 work was completed on 10 percent of the lines scheduled for installation under the development plan and 50 percent of the central switchboards, all in the midst of the loss of a large financial package scheduled to be extended by the World Bank and the turnover to private companies of areas related to construction, repairs, and supervision.

Another indicator of good condition is the ratio between its assets, which amount to 1.4 trillion sucres, and current liabilities of 92 billion sucres and external debts of 452 billion sucres. The resulting balance reflects a highly solvent company.

Despite the undeniable inefficiency of the company, the service achieved is not among the worst in Latin America or in the world, and local charges are among the lowest in the world.

Delay in Installation of a Cellular Telephone System

Emetel has experienced delays in the installation of a cellular telephone system, in data transmission, in radioelectric service, and in making proper use of satellite service. Some of the reasons for the delays are structural in nature. Succeeding Emetel administrations did not make timely investments like any private company. The Office of the Superintendent of Communications prevented it from competing in providing cellular telephone and long distance telephone service, which would have required additional Emetel infrastructure. This infrastructure will soon be provided exclusively by private companies.

Did Not Satisfy Basic Needs

Emetel has not even met 50 percent of the basic needs of the people. Nevertheless, it has maintained its profitability, thanks to other, promising facilities, such as international telephone service. Unlike other companies, instead of adding to the national budget deficit, Emetel has made a 25 percent profit on its annual business turnover. For all of these reasons, Emetel is one of the priority objectives of the National Modernization Council for rapid and successful privatization. The process is moving ahead rapidly, despite the fact that, as stated by Adolfo Loza, its own superintendent of communications, an appraisal of its assets may take between eight and 12 months to complete. The country should first adopt the kind of telecommunications system suited to it. These are among the things which have not been done.

Loza also stated that under the present law the telecommunications system could be modernized with private and foreign investment. Nevertheless, the National Modernization Council decided to set 31 December 1994 as the goal for the reform of the telecommunications law in Congress. It warned that it this did not happen, it will move forward with its own plan by issuing a regulation under the law now in effect, which would make it possible to contract for public telephone service through an international bidding process and convert Emetel into two corporations.

Paraguay

Wasmosy Overcomes Military Crisis; Oviedo Maintains Position

PY1912161694 Asuncion NOTICIAS in Spanish 19 Dec 94 p 3

[FBIS Translated Text] A military crisis which smoldered over the weekend and which at times threatened to get out of hand was overcome last night by President Juan Carlos Wasmosy. The chief of state finally ordered the transfer of General Carlos Alberto Ayala Gonzalez to the Chaco—as [General] Lino Oviedo initially ordered. On occasions the role of Oviedo was also placed in doubt as it seemed he would be fired as commander of the Army.

The scandal broke over the abrupt transfer of Ayala Gonzalez—which was unilaterally ordered by Oviedo in his role as Army commander. Unconfirmed reports state the president first approved the transfer, but later reconsidered it at the advice of his military advisers, and this immediately radicalized positions.

Last night, when the luck of the controversial Oviedo seemed to have run out and as he was about to be dismissed as Army commander and possibly sent into retirement, the president told Ayala Gonzalez—who was awaiting orders—to obey Oviedo's decision. The conflict was thus overcome, in Oviedo's favor.

Following Wasmosy's final decision, the following changes remain firm: General Carlos Ayala Gonzalez, currently commander of the 1st Infantry Division (Tacumbu), becomes commander of the 6th Infantry Division (in Mariscal Estigarribia).

General Pedro Hugo Canete, who was commander of the 6th Infantry Division, replaces Ayala Gonzalez.

Although it seemed Ayala Gonzalez' transfer was decided last night, it was not known how this would be resolved following a run-in with Oviedo. It was for this reason that the incident, which was allegedly settled last night, was not completely resolved.

A reliable source mentioned that the president made his decision to avoid a lot of comment on the situation, which had already spread on the streets to the alarm of the population.

Vice President Angel Roberto Seifart was the carrier of Wasmosy's final order. Seifart handed Ayala Gonzalez his orders last night at the headquarters of the 1st Infantry Division.

While the situation was still undefined last night, there was a series of meetings and contacts between politicians on the incident, and apparently also to see if there was any "political support" for Oviedo.

Unconfirmed reports state that one contact was Blas Riquelme, former president of the Colorado Party, who is believed to have used several Colorado party congressmen as "lobbyists."

Reports that were verified last night by NOTICIAS say the seekers of political support apparently visited opposition congressmen.

The "negotiators" mentioned an alliance between [Luis Maria] Argana and Oviedo, which was quickly denied by followers of the leader of the Colorado Reconciliation faction.

Further on Crisis

PY1912171694 Asuncion RPC Television Network in Spanish 1450 GMT 19 Dec 94

[FBIS Translated Excerpt] The military crisis unleashed over the past weekend has been overcome through the counter-order of President Juan Carlos Wasmosy, who finally decided to override the order to transfer General Carlos Alberto Ayala Gonzalez from the 1st Infantry Division, in Tacumbu, to the 6th Infantry Division, which has its headquarters in the Chaco, that had been given by Army Commander [General] Lino Cesar Oviedo. [passage omitted]

The commander in chief of the Armed Forces, Engineer Juan Carlos Wasmosy, has transferred his presidential office to Mburuvicha Roga [the president's official residence]. It is from there reporter Arnaldo Gonzalez now tells us the most recent events of a very busy morning and about the discontent that was expressed within military spheres.

[Begin Gonzalez recording] [passage omitted] There are no further details to report, except what President Wasmosy said during the burial of Ayala Gonzalez' mother. The president said: Ayala will continue as commander of the 1st Infantry Division. The fact that he was transferred on orders of Oviedo may be one of the reasons behind the discontent and uneasiness within certain sectors of the Armed Forces.

The tension continues. It is difficult to explain what happened, or even to know what is happening now because there are no details of the meetings being held at Mburuvicha Roga.

That is all from here. [end recording]

General Carlos Alberto Ayala Gonzalez, who was confirmed today as commander of the 1st Infantry Division, warned that he will only carry out the orders of the commander in chief of the Armed Forces. He thus commented on the background to his transfer that was initially ordered by Army Commander General Lino Cesar Oviedo. and which was countermanded by President Wasmosy.

[Begin recording] [Unidentified reporter] Movements were normal at the headquarters of the 1st Infantry Division in Tacumbu. The guard was not reinforced, although there were restrictions on reporters when they tried to visit the office of Ayala Gonzalez, who was at the wake of his mother. The burial was held at 1030 at the Italian Cemetery.

Despite the difficult time he is experiencing due to the death of his mother, Ayala Gonzalez chatted with reporters. He confirmed that the controversial Army commander wanted to transfer him from the 1st Infantry Division through an internal order, but Ayala made it clear that he only accepts and complies with orders from Engineer Juan Carlos Wasmosy, the commander in chief of the Armed Forces.

[Ayala Gonzalez] I am ready to carry out the orders of the president in his role as commander in chief of the Armed Forces...

[Unidentified reporter, interrupting] ...confirmed. You will continue as commander of the 1st Infantry Division. President Wasmosy himself confirmed this.

[Ayala Gonzalez] I do not know anything about this. You know very well that since my mother died I have been looking after the details.

[Unidentified reporter] Did the president say anything to you this morning?

[Ayala Gonzalez] Nothing, nothing. No I was no there, I was at my headquarters at that time.

[Unidentified reporter] He has publicly stated that you will continue as commander, that there are no changes within the 1st Infantry Division. What is your opinion?

[Ayala Gonzalez] It is his decision. The president always has the last word. We are all obliged to immediately obey the orders of the chief of state and commander in chief of the Armed Forces.

[Unidentified reporter] What about reports of a plot against you, that they wanted to accuse you of being disloyal to President Wasmosy. What is it all about?

[Ayala Gonzalez] I do not know. I have heard nothing about that.

[Unidentified reporter] What about the alleged transfer to the Chaco?

[Ayala Gonzalez] I have also heard nothing about that.

[Unidentified reporter] General, what happened with Oviedo?

[Ayala Gonzalez] Well, he is the Army commander.

[Unidentified reporter] But, did something happen, a conflict or something...

[Ayala Gonzalez, interrupting] No, nothing. I have not even spoken with him...

[Unidentified reporter, interrupting] Then why did he transfer you? Why did he order the transfer?

[Ayala Gonzalez] They are his decisions.

[Unidentified reporter] Do you believe there is friction between sectors of the Armed Forces at this time? Once again an infantryman is involved.

[Ayala Gonzalez] There can be no friction because the infantry is the queen of units. We are the mass.

[Unidentified reporter] What does that mean?

[Ayala Gonzalez] We are the mountain, we are the mass, we have the most number of men. We are the best.

[Unidentified reporter] Then this means that no one can take on the Infantry. Is that what it means?

[Ayala Gonzalez] On the contrary. The Armed Forces, all of us, are the best. [end recording]

Wasmosy Downplays Disagreement With Oviedo

PY2012141594 Asuncion ABC COLOR in Spanish 20 Dec 94 p 2

[FBIS Translated Text] "Take it easy. You have a president who is firmly in his post," the head of state, Juan Carlos Wasmosy, emphatically told journalists accredited to Government House. He made this remark when he was consulted about an alleged disagreement with [General] Lino Oviedo. According to the reports, the alleged disagreement presumably emerged when Wasmosy revoked Oviedo's decision to transfer General Carlos Ayala Gonzalez, commander of the 1st Infantry Division, to Lagerenza, Paraguayan Chaco. According to the reports, this presumably annoyed Oviedo.

Moreover, the head of state took it upon himself to deny these rumors when he maintained that absolutely nothing had occurred. On leaving his office at Government House on 19 December, Wasmosy was consulted about this matter, and he stated that the people have no need to be nervous.

He stressed that his relations with the commander in chief of the Army are absolutely normal, and that they do not have any problems. "There is absolutely nothing, gentlemen. Easy, easy," the president told the journalists.

When he was asked what had really happened, the president responded, laughing: "Nothing, nothing."

Asked what he did during the morning of 19 December at Mburuvicha Roga [the presidential residence], given the fact that he had only left for a short time to attend the wake of Ayala Gonzalez' mother, Wasmosy jokingly answered: "My, how curious all of you are!"

When some insisted on knowing the true situation that has been generated, since it seems there is discontent within the Armed Forces, he said: "Absolutely nothing at all. The [military] movements are normal."

Regarding the case of Ayala Gonzalez, the president said: "He will now be taking his vacation earlier than scheduled," but he will continue as commander of the 1st Infantry Division. While Ayala Gonzalez is on his 30-day vacation, which will now begin eight days earlier than previously scheduled, the president stressed, General Magno Candia, commander of the 3d Army Corps, will be interim commander. "That is all that has happened," Wasmosy said.

Asked whether it was true that there had been a confinement to barracks over the weekend, the head of state said no.

Asked what prompted the unexpected meeting with Vice Admiral Eduardo Gonzalez Petit, commander of the Military Forces, at Mburuvicha Roga during the afternoon of 18 December, Wasmosy said: "The purpose was precisely to deny what you were disseminating. No one has been confined to barracks," he reiterated.

Asked with whom he had met during the morning of 19 December at the presidential residence, since he only went to Government House after midday, he stressed that he had met with Oviedo for three hours. "You people did not ferret that out," he noted laughingly, and then said goodbye to the journalists before returning to Mburuvicha Roga in the presidential automobile.

Benitez Interviewed on Disciplinary Arrest

PY2012023394 Asuncion ABC COLOR in Spanish 19 Dec 94 p 80

["Excerpt" of interview with Division General Evelio Favio Benitez Santacruz by unidentified reporter on 18 December; place not given]

[FBIS Translated Text] [ABC COLOR] Were you arrested for disciplinary reasons?

[Benitez] I am sure I did not break any disciplinary rule. There were certain things, and there was an attempt to make me look bad. It is a little strange. I did not have any disciplinary arrest or need to repeat a course from the time I was a noncommissioned officer until I became a general. But now I have a disciplinary problem. I am not corrupt either. You will not see my family driving luxurious cars or living in expensive houses.

[ABC COLOR] What do you mean when you say "there were certain things?"

[Benitez] I am still on trial, and my defense attorneys told me to refrain from making comments until a decision is made. I will talk about that later.

[ABC COLOR] Defense Minister Hugo Estigarribia said if you "slander your superiors" again you will be again arrested. He referred to you and to Gen. Pedro Concepcion Ocampos.

[Benitez] That is what he said. But I do not think anyone wants to forbid us from talking. I have never offended anyone.

[ABC COLOR] Do you admit the charge that you committed slander against one of your superiors?

[Benitez] It is not true. If I am given a chance to talk with the commander—in-chief I will explain everything to him. I never slandered anyone. If President Wasmosy calls me I will have no problem explaining to him.

[ABC COLOR] President Wasmosy said some politicians were encouraging you. Is that true?

[Benitez] Absolutely not. I feel I am old enough—as General Eumelio Bernal said—and still more, I feel I am smart enough to distinguish between a saucer and a spoon. No one can use me in that sense. Besides, I went to the military school with a good education, after having been a public accountant. My fellow accountants are from the promotion of 1955.

[ABC COLOR] Comradery is mentioned a lot among military officers. Did you receive the support of any of your comrades while under arrest?

[Benitez] A proverb says: "Victorious men have many friends, while those who fall into disgrace have good friends." When this situation is over I will talk about the incident with Lino Oviedo in the Chaco region, because I am being charged with alleged insubordination. That alleged insubordination is absolutely false.

[ABC COLOR] Who accused you of alleged insubordination?

[Benitez] It never occurred to me. I arrived in Marshal Estigarribia annoyed, angry because I was offended, hurt, and insulted by Oviedo. I placed my command at the disposal of the commander in chief. I have no complaints whatsoever against the commander in chief. My complaints are against Army Commander General Lino Oviedo. (Benitez Santacruz was commander of the 3d Army Corps in the Chaco region).

[ABC COLOR] Why the complaint?

[Benitez] Because he did not treat me properly. If I were irresponsible or unruly I would have violated discipline or become insubordinate, or done something even worse. I did not do anything because we have a civilian government, and I am not going to destroy everything that is being done for the fatherland. I never thought of doing anything foolish. President Wasmosy is being told lies.

[ABC COLOR] Who is telling him lies?

[Benitez] He is being told lies because if he had the correct information he would have acted differently with me. This is why I would like to talk with him, but I cannot do so unless he calls me.

[ABC COLOR] What will you do after you retire?

[Benitez] I will enter the political arena.

[ABC COLOR] Do you have any preferred ANR [National Republican Association—Colorado Party] faction?

[Benitez] No. I have to think about it, because I do not like labels. I will try to find the authentic Colorado Party and those who really defend Colorado Party principles.

Peru

Colombia's Pardo Urges More Aid For Drug Trafficking

PY1912201294 Madrid EFE in Spanish 0247 GMT 17 Dec 94

[FBIS Translated Text] Lima, 16 Dec (EFE)—Colombian Foreign Minister Rodrigo Pardo said today in Lima that the countries that consume drugs have no policy for supporting drug enforcement in the countries that produce drugs.

Pardo, who is paying an official visit to Peru, said that his country and Peru have made considerable progress in the struggle against drug trafficking, but that "this is not enough." He added that in addition to effective policies, the drug producing countries need the support of other nations.

"We would like to get a little more support" in the struggle against drug trafficking, said Pardo to the media, after holding a meeting with Peruvian Congress President Jaime Yoshiyama.

He reiterated there is no support policy from the countries where drug consumption is concentrated, where money "laundering" from drug trafficking is done, and where chemical substances which are essential for making drugs are produced.

Pardo said the main aid Colombians hope to get and need is the reduction of drug consumption and demand in the consumer countries, in order to reduce the size of the problem.

The United States and the European countries are considered the main cocaine consumers, while Bolivia, Colombia, and Peru are the main producers of cocaine made from coca.

Foreign Minister Pardo then participated with his Peruvian counterpart Efrain Goldenberg in the closing ceremony of the third meeting of the Peruvian—Colombian Integration and Good Neighbor Commission.

The two ministers also signed at the Peruvian Foreign Ministry a final communique of the meeting, and a joint declaration.

The agreements signed include the establishment of a Peruvian-Colombian Chamber of Commerce, the creation of a data bank in Lima and Bogota for promoting binational investments, and the creation of courses in study centers of the two capitals and in the border regions.

An agreement was also reached for holding forums on investment and business transactions, and the first meeting will be held in Bogota on 15 March 1995. The fourth meeting of the Integration and Good Neighbor Commission will be held in Leticia next May.

It was also agreed, on Colombia's initiative, that the two countries will try to reach an agreement on the movement of people, vehicles, ships, and airplanes.

Fujimori Laments Failure of Electoral Bill

PY1912210894 Madrid EFE in Spanish 0416 GMT 17 Dec 94

[FBIS Translated Text] Lima, 16 Dec (EFE)—Peruvian President Alberto Fujimori today lamented the fact that Congress did not approve the bill restricting his presidential activities in his role as a candidate for reelection.

Fujimori said that the bill, which was approved by the congressional Constitutional Commission but was not dealt with in the legislative plenum yesterday, 15 December, the last day of the legislative session, was "balanced" legislation that "set limits" on his activities as president and as candidate.

He added that "for ethical reasons, and on his own initiative," he would follow the non-approved rules, which include a prohibition against his referring in his speeches as president to his rivals in the race for the Peruvian presidency, the elections for which are slated for 9 April 1995.

He is likewise prevented from using state assets in his electoral campaign. Fujimori intends to cover with his own resources any cost of using these assets if does so in his electoral campaign.

The bill does not forbid him, however, from dedicating and controlling his government projects, as proposed by the National Election Board.

The opposition believes that because this proposal is not included, the president holds an advantage over the other candidates for the presidency, as they feel that dedicating ceremonies constitute electoral propaganda.

"I am going to respect the provisions, although they are not yet law," Fujimori told the press in the Andean town of Ayacucho, where he is paying a working visit today.

The first ordinary session of the Peruvian Congress ended early today in a scandal and in serious disorder among the government majority and the opposition members because of the non-approval of the bill by the plenum, as its discussion was proposed at the last moment.

Perez de Cuellar Adopts 'Aggressive' Stance

PY1912222794 Madrid EFE in Spanish 1014 GMT 19 Dec 94

[FBIS Translated Text] Lima, 19 Dec (EFE)—In a meeting this week with foreign correspondents, former UN Secretary General Javier Perez de Cuellar put aside his image as a cautious and conciliatory diplomat to assume a new image as a sharp and aggressive candidate.

Perez de Cuellar held a conversation, unexpectedly tense on his part, with foreign correspondents who had invited him to a working breakfast to talk about his electoral campaign.

Before a surprised audience Perez de Cuellar assumed a defensive position at all times, and answered the questions posed by his hosts with unnecessary roughness.

To one of them, who asked him to explain his proposal of tightening relations with Brazil, he answered, for instance, that "if he looked at the map" of Peru he would understand the proposal.

To another reporter he said he would "not give you the pleasure" of giving up his presidential candidacy "as you would like," when he was asked whether his continuous complaints about the cleanness of the elections would end up in his resignation.

When asked about the reasons for stating that there is no democracy in Peru, he answered: "If you know what democracy is, then you would understand why there is no democracy in Peru."

He was equally rough with a correspondent whom he called "conservative" because he asked him about the position of some sectors that consider his liberal economic program and the presence of leftist personalities around him to be contradictory.

Equally surprising was the answer when he was asked to give his opinion on controversial presidential adviser Vladimiro Montesinos.

"You would like me to speak well of Mr. Montesinos, but I will not do so," he answered, to the surprise of those present.

The reporters remained calm and endured with patience and discretion the verbal attacks of their guest.

The attitude of the former diplomat was also surprising because his relations with the foreign press have always been cordial.

His attitude was interpreted by one correspondent as a consequence of a possible "misguided plan" intended to change his image as a candidate for one that is more "aggressive."

Another correspondent stressed the fact that Perez de Cuellar did not have an adviser next to him during the conference, "which would perhaps have allowed him to realize that he was being too aggressive."

The bad humor of the former UN Secretary General was also attributed to his consistent drop in the polls, which give him between 17 and 20 percent of the voters' preference while his main opponent, President Alberto Fujimori, has between 47 and 50 percent.

Shortly after announcing his possible candidacy Perez de Cuellar had reached 43 percent of voter popularity against Fujimori's 40 percent.

Upon returning to Peru in July 1994, the popularity of the former UN Secretary General began to drop, and he now seems to be stuck at around 18 percent.

Shots Fired at Presidential Candidate's Convoy

PY1912234294 Madrid EFE in Spanish 1709 GMT 19 Dec 94

[FBIS Translated Excerpt] Lima, 19 Dec (EFE)—Peruvian Popular Action presidential candidate Raul Diez Canseco reported that his delegation was attacked with gunshots fired by soldiers, in an incident similar to one that happened a week ago, when an active member of the APRA [American Popular Revolutionary Alliance] was killed when he was shot at in his car by a group of policemen.

Diez Canseco, who is making a campaign tour of the northern department of Huanuco, said that the convoy of cars that was accompanying him was fired at by soldiers, according to reports released today in Lima.

Diez Canseco, secretary general of the center-rightist Popular Action, said: "The gunshots hit the pickup trucks that were taking us from Tingo Maria to the city of Huanuco." He added that his 12-year-old daughter was in one of those vehicles, and that a group of reporters was in another.

The candidate for Popular Action, the party founded by former President Fernando Belaunde, said that the incidents "were no longer a coincidence, because a few days ago an APRA leader was murdered in Chiclayo in a confusing incident."

"The military knew that we were coming for a rally, and we nevertheless suffered this dangerous misfortune," the candidate said. He added: "Is this the security prevailing in the country for an authentic electoral race?"

He went on to say that "the idea is to threaten candidates who, like the Popular Action candidate, are traveling throughout the country."

After saying that the military who fired the shots had declined to identify themselves, Diez Canseco asked for the adoption of measures to prevent the electoral campaign from being stained with blood.

Civilian and military officials have for the time being not issued any statement on this accusation. [passage omitted]

Venezuela

Lack of Confidence in 'Establishment' Noted

95P20285A Caracas EL DIARIO DE CARACAS in Spanish 21 Nov 94 p 2

[Editorial: "Who Is the Leader?"]

[Text] The most recent survey by Mercanalisis continues to be a subject of discussion. The results—according to which the leaders who have the highest confidence rating today are [Chacao Mayor] Irene Saez, Hugo Chavez [retired lieutenant colonel and leader of the Revolutionary Bolivarian Movement, MBR] and [Interior Minister] Ramon Escovar Salom—tell us a lot about the current Venezuelan political scene.

We must note that none of the three has a large following, although they obtained interesting percentages. Irene Saez has 26 percent, Hugo Chavez and Ramon Escovar Salom have 22 percent, respectively. [sentence as published] But even more noteworthy is what the three of them have in common: absolutely nothing, unless it is that none of them is identified with any of the parties of the so-called "establishment."

This means that the tendency in the Venezuelan populace to look for "extraparty" leaders continues. The first example of this was in the last presidential elections with the candidates of this type: the winner Rafael Caldera, who had been expelled from Copei [Social Christian Party]; 0swaldo Alvarez Paz [Copei], whose candidacy was the result of primaries that were open to the entire electorate; Claudio Fermin [Democratic Action, AD], whose candidacy was the result of a campaign against the candidates of the AD structure; and Andres Velasquez [Radical Cause], because of his rejection of the two-party system.

This last point is also remarkable. Although Radical Cause was an electoral phenomenon because of its differentiation from the traditional parties, this survey, in which Velasquez obtained only a 13-percent confidence rating, shows that his party is now perceived as part of the "establishment" that he had rejected.

The most interesting thing, however, is to recognize, with concern, that the Venezuelan political organizations have not succeeded in recovering, to the point that it is those who do not belong to any party who are seen as the most trustworthy leaders. Apparently, confidence in those who did not make way for the younger generations and their ideas, much less mass participation, has died. They dominated the country as if it were of them and for them, and they formed a privileged leadership elite which participated in or went along with corruption as well as inefficiency.

It seems unlikely that the party bosses, machineries, apparatus, or channels will be resurrected. The way has been cleared for new leaders to arise and stand out, leaders who, having fewer commitments for financing in exchange for deals, permits, subsidies, and favors, will be able to understand that Venezuelans have reached a new level of political awareness. In this new dimension, the country is showing its need for new ideas which will make it possible to rescue the nation from economic and moral poverty.

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